

SCHOOL FUNDING AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: Bradley G. Last

Cosponsors:	Howard A. Stephenson	Todd Weiler
Ann Millner	Daniel W. Thatcher	

LONG TITLE

General Description:

This bill amends school funding provisions.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ directs the Legislature to annually appropriate an amount equal to one-third of the funds allocated for an increase in the weighted pupil unit value to increase the number of guaranteed local levy increments;
- ▶ directs the State Board of Education to use the appropriation to increase:
 - the number of guaranteed local levy increments, giving first priority to guarantee board local levy increments and second priority to guarantee voted local levy increments; and
 - the guaranteed amount for each local levy increment per weighted pupil unit after increasing the number of guaranteed local levy increments;
- ▶ directs a local school board to use funds received from the state local levy guarantee for a public education purpose;
- ▶ recodifies and enacts language governing:



- 27 • a voted local levy;
- 28 • the use of guaranteed local levy increments; and
- 29 • a board local levy; and
- 30 ▶ makes technical and conforming amendments.

31 **Money Appropriated in this Bill:**

32 None

33 **Other Special Clauses:**

34 This bill provides a special effective date.

35 **Utah Code Sections Affected:**

36 AMENDS:

- 37 **53A-1a-513**, as last amended by Laws of Utah 2016, Chapter 229
- 38 **53A-2-206**, as last amended by Laws of Utah 2012, Chapter 398
- 39 **53A-17a-105**, as last amended by Laws of Utah 2016, Chapter 229
- 40 **53A-17a-133**, as last amended by Laws of Utah 2016, Chapters 2, 350, and 367
- 41 **53A-17a-134**, as last amended by Laws of Utah 2013, Chapter 178
- 42 **53A-17a-135.1**, as enacted by Laws of Utah 2015, Chapter 287
- 43 **53A-17a-136**, as last amended by Laws of Utah 2011, Chapter 371
- 44 **53A-17a-146**, as last amended by Laws of Utah 2011, Chapters 371 and 381
- 45 **53A-17a-164**, as last amended by Laws of Utah 2016, Chapters 229, 350, 367, and 367
- 46 **53A-19-102**, as last amended by Laws of Utah 2016, Chapter 363

47 ENACTS:

48 **53A-17a-133.5**, Utah Code Annotated 1953



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

51 Section 1. Section **53A-1a-513** is amended to read:

52 **53A-1a-513. Funding for charter schools.**

53 (1) As used in this section:

54 (a) "Basic program" means the same as that term is defined in Section **53A-17a-103**.

55 [~~(b)~~] (b) "Charter school levy per pupil revenues" means the same as that term is
56 defined in Section **53A-1a-513.1**.

57 [~~(c)~~] (c) "Charter school students' average local revenues" means the amount

58 determined as follows:

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

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

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

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

67 (i) a voted local levy imposed under Section [53A-17a-133](#);

68 (ii) a board local levy imposed under Section [53A-17a-164](#), excluding revenues
69 expended for:

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

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

74 (iii) a capital local levy imposed under Section [53A-16-113](#); and

75 (iv) a guarantee described in Section [~~[53A-17a-133](#), [53A-17a-164](#)~~] [53A-17a-133.5](#),
76 [53A-21-202](#), or [53A-21-302](#).

77 (e) "District per pupil local revenues" means, using data from the most recently
78 published school district annual financial reports and state superintendent's annual report, an
79 amount equal to district local property tax revenues divided by the sum of:

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

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

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

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

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

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

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

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

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

98 (b) For the 2015-16 school year, the number of weighted pupil units assigned to a
99 charter school for the kindergarten and grades 1 through 12 programs of the Basic School
100 Program shall be:

101 (i) based on the higher of:

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

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

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

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

108 (i) .55 for kindergarten pupils;

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

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

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

112 (4) (a) (i) A school district shall allocate a portion of school district revenues for each
113 resident student of the school district who is enrolled in a charter school on the previous
114 October 1 equal to 25% of the district per pupil local revenues excluding the amount of
115 revenues:

116 (A) described in Subsection (1)(d)(iv) collected by the district; and

117 (B) expended by the school district for recreational facilities and activities authorized
118 under Title 11, Chapter 2, Playgrounds.

119 (ii) Nothing in this Subsection (4)(a) affects the school bond guarantee program

120 established under Chapter 28, Utah School Bond Guaranty Act.

121 (b) The State Board of Education shall:

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

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

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

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

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

133 (d) (i) Subject to future budget constraints, the Legislature shall provide an
134 appropriation for charter schools for each student enrolled on October 1 to supplement the
135 allocation of school district revenues under Subsection (4)(a).

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

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

140 (B) statewide average debt service revenues.

141 (iii) If the total of a school district's allocation for a charter school student under
142 Subsection (4)(a) and the amount provided by the state under Subsection (4)(d)(ii) is less than
143 \$1427, the state shall provide an additional supplement so that a charter school receives at least
144 \$1427 per student under this Subsection (4).

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

149 (B) If the State Board of Education makes adjustments to Minimum School Program
150 allocations as provided under Section [53A-17a-105](#), the allocation provided in Subsection

151 (4)(d)(iv)(A) shall be determined after adjustments are made under Section 53A-17a-105.

152 (e) (i) Except as provided in Subsection (4)(e)(ii), of the money provided to a charter
153 school under this Subsection (4), 10% shall be expended for funding school facilities only.

154 (ii) Subsection (4)(e)(i) does not apply to an online charter school.

155 (f) This Subsection (4) is repealed July 1, 2017.

156 (5) (a) As described in Section 53A-1a-513.1, the State Board of Education shall
157 distribute charter school levy per pupil revenues to charter schools.

158 (b) (i) Subject to future budget constraints, the Legislature shall provide an
159 appropriation for charter schools for each charter school student enrolled on October 1 to
160 supplement the allocation of charter school levy per pupil revenues described in Subsection
161 (5)(a).

162 (ii) Except as provided in Subsection (5)(b)(iii), the amount of money provided by the
163 state for a charter school student shall be the sum of:

164 (A) charter school students' average local revenues minus the charter school levy per
165 pupil revenues; and

166 (B) statewide average debt service revenues.

167 (iii) If the total of charter school levy per pupil revenues and the amount provided by
168 the state under Subsection (5)(b)(ii) is less than \$1,427, the state shall provide an additional
169 supplement so that a charter school receives at least \$1,427 per student under this Subsection
170 (5).

171 (iv) (A) If the appropriation provided under this Subsection (5)(b) is less than the
172 amount prescribed by Subsection (5)(b)(ii) or (5)(b)(iii), the appropriation shall be allocated
173 among charter schools in proportion to each charter school's enrollment as a percentage of the
174 total enrollment in charter schools.

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

178 (c) (i) Of the money provided to a charter school under this Subsection (5), 10% shall
179 be expended for funding school facilities only.

180 (ii) Subsection (5)(c)(i) does not apply to an online charter school.

181 (d) This Subsection (5) is effective July 1, 2017.

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

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

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

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

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

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

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

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

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

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

208 Section 2. Section 53A-2-206 is amended to read:

209 **53A-2-206. Interstate compact students -- Inclusion in attendance count --**
210 **Funding for foreign exchange students -- Annual report -- Requirements for exchange**
211 **student agencies.**

212 (1) A school district or charter school may include the following students in the

213 district's or school's membership and attendance count for the purpose of apportionment of
214 state money:

215 (a) a student enrolled under an interstate compact, established between the State Board
216 of Education and the state education authority of another state, under which a student from one
217 compact state would be permitted to enroll in a public school in the other compact state on the
218 same basis as a resident student of the receiving state; or

219 (b) a student receiving services under Title 62A, Chapter 4a, Part 7, Interstate Compact
220 on Placement of Children.

221 (2) (a) A school district or charter school may include foreign exchange students in the
222 district's or school's membership and attendance count for the purpose of apportionment of
223 state money, except as provided in Subsections (2)(b) through (d).

224 (b) (i) Notwithstanding Section [53A-17a-106](#), foreign exchange students may not be
225 included in average daily membership for the purpose of determining the number of weighted
226 pupil units in the grades 1-12 basic program.

227 (ii) Subject to the limitation in Subsection (2)(c), the number of weighted pupil units in
228 the grades 1-12 basic program attributed to foreign exchange students shall be equal to the
229 number of foreign exchange students who were:

230 (A) enrolled in a school district or charter school on October 1 of the previous fiscal
231 year; and

232 (B) sponsored by an agency approved by the district's local school board or charter
233 school's governing board.

234 (c) (i) The total number of foreign exchange students in the state that may be counted
235 for the purpose of apportioning state money under Subsection (2)(b) shall be the lesser of:

236 (A) the number of foreign exchange students enrolled in public schools in the state on
237 October 1 of the previous fiscal year; or

238 (B) 328 foreign exchange students.

239 (ii) The State Board of Education shall make rules in accordance with Title 63G,
240 Chapter 3, Utah Administrative Rulemaking Act, to administer the cap on the number of
241 foreign exchange students that may be counted for the purpose of apportioning state money
242 under Subsection (2)(b).

243 (d) Notwithstanding [~~Sections [53A-17a-133](#) and [53A-17a-164](#)~~] Section

244 [53A-17a-133.5](#), weighted pupil units in the grades 1 through 12 basic program for foreign
245 exchange students, as determined by Subsections (2)(b) and (c), may not be included for the
246 purposes of determining a school district's state guarantee money under the voted or board local
247 levies.

248 (3) A school district or charter school may:

249 (a) enroll foreign exchange students that do not qualify for state money; and

250 (b) pay for the costs of those students with other funds available to the school district
251 or charter school.

252 (4) Due to the benefits to all students of having the opportunity to become familiar
253 with individuals from diverse backgrounds and cultures, school districts are encouraged to
254 enroll foreign exchange students, as provided in Subsection (3), particularly in schools with
255 declining or stable enrollments where the incremental cost of enrolling the foreign exchange
256 student may be minimal.

257 (5) The board shall make an annual report to the Legislature on the number of
258 exchange students and the number of interstate compact students sent to or received from
259 public schools outside the state.

260 (6) (a) A local school board or charter school governing board shall require each
261 approved exchange student agency to provide it with a sworn affidavit of compliance prior to
262 the beginning of each school year.

263 (b) The affidavit shall include the following assurances:

264 (i) that the agency has complied with all applicable policies of the board;

265 (ii) that a household study, including a background check of all adult residents, has
266 been made of each household where an exchange student is to reside, and that the study was of
267 sufficient scope to provide reasonable assurance that the exchange student will receive proper
268 care and supervision in a safe environment;

269 (iii) that host parents have received training appropriate to their positions, including
270 information about enhanced criminal penalties under Subsection [76-5-406\(10\)](#) for persons who
271 are in a position of special trust;

272 (iv) that a representative of the exchange student agency shall visit each student's place
273 of residence at least once each month during the student's stay in Utah;

274 (v) that the agency will cooperate with school and other public authorities to ensure

275 that no exchange student becomes an unreasonable burden upon the public schools or other
276 public agencies;

277 (vi) that each exchange student will be given in the exchange student's native language
278 names and telephone numbers of agency representatives and others who could be called at any
279 time if a serious problem occurs; and

280 (vii) that alternate placements are readily available so that no student is required to
281 remain in a household if conditions appear to exist which unreasonably endanger the student's
282 welfare.

283 (7) (a) A local school board or charter school governing board shall provide each
284 approved exchange student agency with a list of names and telephone numbers of individuals
285 not associated with the agency who could be called by an exchange student in the event of a
286 serious problem.

287 (b) The agency shall make a copy of the list available to each of its exchange students
288 in the exchange student's native language.

289 (8) Notwithstanding Subsection (2)(c)(i), a school district or charter school shall enroll
290 a foreign exchange student if the foreign exchange student:

291 (a) is sponsored by an agency approved by the State Board of Education;

292 (b) attends the same school during the same time period that another student from the
293 school is:

294 (i) sponsored by the same agency; and

295 (ii) enrolled in a school in a foreign country; and

296 (c) is enrolled in the school for one year or less.

297 Section 3. Section **53A-17a-105** is amended to read:

298 **53A-17a-105. Powers and duties of State Board of Education to adjust Minimum**
299 **School Program allocations -- Use of remaining funds at the end of a fiscal year.**

300 (1) For purposes of this section:

301 (a) "Board" means the State Board of Education.

302 (b) "ESEA" means the Elementary and Secondary Education Act of 1965, 20 U.S.C.

303 Sec. 6301 et seq.

304 (c) "LEA" means:

305 (i) a school district; or

306 (ii) a charter school.

307 (d) "Program" means a program or allocation funded by a line item appropriation or
308 other appropriation designated as:

309 (i) Basic Program;

310 (ii) Related to Basic Programs;

311 (iii) Voted and Board Levy Programs; or

312 (iv) Minimum School Program.

313 (2) Except as provided in Subsection (3) or (5), if the number of weighted pupil units
314 in a program is underestimated, the board shall reduce the value of the weighted pupil unit in
315 that program so that the total amount paid for the program does not exceed the amount
316 appropriated for the program.

317 (3) If the number of weighted pupil units in a program is overestimated, the board shall
318 spend excess money appropriated for the following purposes giving priority to the purpose
319 described in Subsection (3)(a):

320 (a) to support the value of the weighted pupil unit in a program within the basic
321 state-supported school program in which the number of weighted pupil units is underestimated;

322 (b) to support the state guarantee per weighted pupil unit provided under the voted
323 local levy [~~program established in Section 53A-17a-133~~] or the board local levy [~~program~~
324 ~~established in Section 53A-17a-164~~] in accordance with Section 53A-17a-133.5, if:

325 (i) local contributions to the voted local levy program or board local levy program are
326 overestimated; or

327 (ii) the number of weighted pupil units within school districts qualifying for a
328 guarantee is underestimated;

329 (c) to support the state supplement to local property taxes allocated to charter schools,
330 if the state supplement is less than the amount prescribed by Section 53A-1a-513; or

331 (d) to support a school district with a loss in student enrollment as provided in Section
332 53A-17a-139.

333 (4) If local contributions from the minimum basic tax rate imposed under Section
334 53A-17a-135 are overestimated, the board shall reduce the value of the weighted pupil unit for
335 all programs within the basic state-supported school program so the total state contribution to
336 the basic state-supported school program does not exceed the amount of state funds

337 appropriated.

338 (5) If local contributions from the minimum basic tax rate imposed under Section
339 [53A-17a-135](#) are underestimated, the board shall:

340 (a) spend the excess local contributions for the purposes specified in Subsection (3),
341 giving priority to supporting the value of the weighted pupil unit in programs within the basic
342 state-supported school program in which the number of weighted pupil units is underestimated;
343 and

344 (b) reduce the state contribution to the basic state-supported school program so the
345 total cost of the basic state-supported school program does not exceed the total state and local
346 funds appropriated to the basic state-supported school program plus the local contributions
347 necessary to support the value of the weighted pupil unit in programs within the basic
348 state-supported school program in which the number of weighted pupil units is underestimated.

349 (6) Except as provided in Subsection (3) or (5), the board shall reduce the guarantee
350 per weighted pupil unit as described in Section [53A-17a-133.5](#) provided under the voted local
351 levy program established in Section [53A-17a-133](#) or board local levy program established in
352 Section [53A-17a-164](#), if:

353 (a) local contributions to the voted local levy program or board local levy program are
354 overestimated; or

355 (b) the number of weighted pupil units within school districts qualifying for a
356 guarantee is underestimated.

357 (7) (a) The board may use program funds as described in Subsection (7)(b) if:

358 (i) the state loses flexibility due to the U.S. Department of Education's rejection of the
359 state's renewal application for flexibility under the ESEA; and

360 (ii) the state is required to fully implement the requirements of Title I of the ESEA, as
361 amended by the No Child Left Behind Act of 2001.

362 (b) Subject to the requirements of Subsections (7)(a) and (c), for fiscal year 2016, after
363 any transfers or adjustments described in Subsections (2) through (6) are made, the board may
364 use up to \$15,000,000 of excess money appropriated to a program, remaining at the end of
365 fiscal year 2015, to mitigate a budgetary impact to an LEA due to the LEA's loss of flexibility
366 related to implementing the requirements of Title I of the ESEA, as amended by the No Child
367 Left Behind Act of 2001.

368 (c) In addition to the reporting requirement described in Subsection (9), the board shall
369 report actions taken by the board under this Subsection (7) to the Executive Appropriations
370 Committee.

371 (8) Money appropriated to the board is nonlapsing.

372 (9) The board shall report actions taken by the board under this section to the Office of
373 the Legislative Fiscal Analyst and the Governor's Office of Management and Budget.

374 Section 4. Section **53A-17a-133** is amended to read:

375 **53A-17a-133. Voted local levy -- Election requirements -- Reconsideration of the**
376 **program.**

377 [~~(1) As used in this section, "voted and board local levy funding balance" means the~~
378 ~~difference between:]~~

379 [~~(a) the amount appropriated for the voted and board local levy program in a fiscal~~
380 ~~year; and]~~

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

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

386 [~~(3) (a) (i) To impose a voted local levy, a majority of the electors of a district voting at~~
387 ~~an election in the manner set forth in Subsections (9) and (10) must vote in favor of a special~~
388 ~~tax.]~~

389 [~~(ii) The tax rate may not exceed .002 per dollar of taxable value.]~~

390 [~~(b) Except as provided in Subsection (3)(c), in order to receive state support the first~~
391 ~~year, a district must receive voter approval no later than December 1 of the year prior to~~
392 ~~implementation.]~~

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

397 [~~(4) (a) In addition to the revenue a school district collects from the imposition of a~~
398 ~~levy pursuant to this section, the state shall contribute an amount sufficient to guarantee \$35.55~~

399 per weighted pupil unit for each .0001 of the first .0016 per dollar of taxable value.]

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

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

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

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

415 [~~(ii) Subsection (4)(d)(i) applies for a period of five years following any such change in~~
416 ~~the certified tax rate.]~~

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

421 [~~(f) (i) If a voted and board local levy funding balance exists for the prior fiscal year,~~
422 ~~the State Board of Education shall:]~~

423 [~~(A) use the voted and board local levy funding balance to increase the value of the~~
424 ~~state guarantee per weighted pupil unit described in Subsection (4)(c) in the current fiscal year;~~
425 ~~and]~~

426 [~~(B) distribute the state contribution to the voted and board local levy programs to~~
427 ~~school districts based on the increased value of the state guarantee per weighted pupil unit~~
428 ~~described in Subsection (4)(f)(i)(A).]~~

429 [~~(ii) The State Board of Education shall report action taken under this Subsection (4)(f)~~

430 to the Office of the Legislative Fiscal Analyst and the Governor's Office of Management and
 431 Budget.]

432 (1) As used in this section, "voted local levy" means a local levy imposed in
 433 accordance with this section by a local school board.

434 (2) (a) A local school board ~~shall~~ **may** ~~impose or modify a voted local levy on~~
 434a ~~real~~ **real** property

435 located in the school district of the local school board if a majority of the electors of the school
 436 district voting at an election in the manner set forth in Subsections (8) and (9) vote in favor of
 437 imposing or modifying the voted local levy.

438 (b) The tax rate of the imposed or modified voted local levy may not exceed .002 per
 439 dollar of taxable value.

440 (3) The local school board shall hold an election to consider imposing or modifying the
 441 voted local levy if:

442 (a) (i) 10% of the electors of the school district who voted at the last preceding general
 443 election sign an initiative petition; and

444 (ii) the initiative petition is presented to the local school board; or

445 (b) a majority of the local school board vote in favor of holding the election.

446 ~~[(5)]~~ (4) (a) An election to modify an existing voted local levy is not a reconsideration
 447 of the local school board's existing voted local levy authority unless the proposition submitted
 448 to the electors expressly so states.

449 (b) A majority vote opposing a modification does not deprive the ~~district~~ local school
 450 board of authority to continue the voted local levy.

451 (c) If adoption of a voted local levy is contingent upon an offset reducing other local
 452 school board levies, the local school board ~~must~~ shall allow the electors, in an election, to
 453 consider modifying or discontinuing the imposition of the voted local levy ~~prior to~~ before a
 454 subsequent increase in other levies that would increase the total local school board ~~levy~~
 455 levies.

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

459 ~~[(6)]~~ (5) Notwithstanding Section 59-2-919, a local school ~~district~~ board may budget
 460 an increased amount of ad valorem property tax revenue derived from a voted local levy

461 imposed under this section in addition to revenue from eligible new growth as defined in
462 Section 59-2-924, without having to comply with the notice requirements of Section 59-2-919,
463 if:

464 (a) the voted local levy is approved:

465 (i) in accordance with Subsections ~~[(9)]~~ (8) and ~~[(10)]~~ (9) on or after January 1, 2003;

466 and

467 (ii) within the four-year period immediately preceding the year in which the local
468 school ~~[district]~~ board seeks to budget an increased amount of ad valorem property tax revenue
469 derived from the voted local levy; and

470 (b) for a voted local levy approved or modified in accordance with this section on or
471 after January 1, 2009, the ~~[school district]~~ local school board complies with the requirements of
472 Subsection ~~[(8)]~~ (7).

473 ~~[(7)]~~ (6) Notwithstanding Section 59-2-919, a local school ~~[district]~~ board may levy a
474 voted local levy tax rate under this section that exceeds the certified tax rate without having to
475 comply with the notice requirements of Section 59-2-919 if:

476 (a) the voted local levy exceeds the certified tax rate as the result of ~~[a school district]~~
477 the local school board budgeting an increased amount of ad valorem property tax revenue
478 derived from a voted local levy imposed under this section;

479 (b) the voted local levy ~~[was]~~ is approved:

480 (i) in accordance with Subsections ~~[(9)]~~ (8) and ~~[(10)]~~ (9) on or after January 1, 2003;

481 and

482 (ii) within the four-year period immediately preceding the year in which the local
483 school ~~[district]~~ board seeks to budget an increased amount of ad valorem property tax revenue
484 derived from the voted local levy; and

485 (c) for a voted local levy approved or modified in accordance with this section on or
486 after January 1, 2009, the ~~[school district]~~ local school board complies with requirements of
487 Subsection ~~[(8)]~~ (7).

488 ~~[(8)]~~ (7) For purposes of Subsection ~~[(6)]~~ (5)(b) or ~~[(7)]~~ (6)(c), the proposition
489 submitted to the electors regarding the adoption or modification of a voted local levy shall
490 contain the following statement:

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

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

493 ~~[(9)]~~ (8) (a) Before ~~[imposing a property tax]~~ a local school board may impose a voted
 494 local levy pursuant to this section, a local school [district] board shall submit an opinion
 495 question to the school district's registered voters voting on the imposition of the voted local
 496 levy tax rate so that each registered voter has the opportunity to express the registered voter's
 497 opinion on whether the tax rate should be imposed.

498 (b) The election required by this Subsection ~~[(9)]~~ (8) shall be held:

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

501 (ii) at a municipal general election conducted in accordance with the procedures and
 502 requirements of Section [20A-1-202](#); or

503 (iii) at a local special election conducted in accordance with the procedures and
 504 requirements of Section [20A-1-203](#).

505 (c) Notwithstanding the requirements of Subsections ~~[(9)]~~ (8)(a) and (b), beginning on
 506 or after January 1, 2012, a local school [district] board may levy a voted local levy tax rate in
 507 accordance with this section without complying with the requirements of Subsections ~~[(9)]~~
 508 (8)(a) and (b) if the local school [district] board imposed a tax in accordance with this section
 509 at any time during the taxable year beginning on January 1, 2011, and ending on December 31,
 510 2011.

511 ~~[(10)]~~ (9) If a local school [district] board determines that a majority of the school
 512 district's registered voters voting on the imposition of the voted local levy tax rate have voted
 513 in favor of the imposition of the tax rate in accordance with Subsection ~~[(9)]~~ (8), the local
 514 school ~~[district may]~~ board ~~Ŝ→ [shall] may ←Ŝ~~ impose the tax rate.

515 (10) ~~Ŝ→ [(a) Except as provided in Subsection (10)(b), in] In ←Ŝ~~ order for a school district
 515a to
 516 receive a state guarantee described in Section [53A-17a-133.5](#) the first year a voted local levy is
 517 imposed, a local school board shall receive voter approval no later than December 1 of the year
 518 before implementation.

519 ~~Ŝ→ [(b) Beginning on or after January 1, 2012, a local school board may, on behalf of the~~
 520 ~~school district, receive the state guarantee in accordance with Section [53A-17a-133.5](#) without~~
 521 ~~complying with the requirements of Subsection (10)(a) if the local school board imposed a tax~~
 522 ~~in accordance with this section during the taxable year beginning on January 1, 2011, and~~

523 ~~Ending on December 31, 2011.~~ ←⁵

524 Section 5. Section 53A-17a-133.5 is enacted to read:

525 **53A-17a-133.5. State guaranteed local levy increments -- Appropriation to**
 526 **increase number of guaranteed local levy increments -- No effect of change of certified**
 527 **tax rate -- Voted and board local levy funding balance -- Use of guaranteed local levy**
 528 **increment funds.**

529 (1) As used in this section:

530 (a) "Board local levy" means a local levy described in Section [53A-17a-164](#).

531 (b) "Guaranteed local levy increment" means a local levy increment guaranteed by the
 532 state:

533 (i) for the board local levy, described in Subsections (2)(a)(ii)(A) and (2)(b)(ii)(A); or

534 (ii) for the voted local levy, described in Subsections (2)(a)(ii)(B) and (2)(b)(ii)(B).

535 (c) "Local levy increment" means .0001 per dollar of taxable value.

536 (d) (i) "Voted and board local levy funding balance" means the difference between:

537 (A) the amount appropriated for the guaranteed local levy increments of the voted local
 538 levy and board local levy in a fiscal year; and

539 (B) the amount necessary to fund in the same fiscal year the guaranteed local levy
 540 increments as determined under this section.

541 (ii) "Voted and board local levy funding balance" does not include appropriations
 542 described in Subsection (2)(b)(i).

543 (e) "Voted local levy" means a local levy described in Section [53A-17a-133](#).

544 (2) (a) In addition to revenue a school district collects from the imposition of a voted
 545 local levy or a board local levy, the state shall guarantee:

546 (i) subject to Subsections (2)(b)(ii)(C) and (3)(a), for each guaranteed local levy
 547 increment an amount sufficient to guarantee \$35.55 per weighted pupil unit; and

548 (ii) except as provided in Subsection (2)(b)(ii):

549 (A) for a board local levy, the amount described in Subsection (2)(a)(i) for the first four
 550 local levy increments a local school board imposes under the board local levy; and

551 (B) for a voted local levy, the amount described in Subsection (2)(a)(i) for the first 16
 552 local levy increments a local school board imposes under the voted local levy.

553 (b) (i) Subject to future budget constraints and Subsection (2)(c), the Legislature shall

554 annually appropriate an amount equal to one-third of the funds allocated for an increase in the
555 weighted pupil unit value to increase the number of guaranteed local levy increments in
556 accordance with Subsection (2)(b)(ii).

557 (ii) The State Board of Education shall, for a fiscal year beginning on or after July 1,
558 2017, and subject to Subsection (2)(c), allocate funds appropriated under Subsection (2)(b)(i)
559 in the following order of priority by increasing:

560 (A) by up to two increments for any given fiscal year the number of board local levy
561 guaranteed local levy increments above four;

562 (B) by up to two increments for any given fiscal year the number of voted local levy
563 guaranteed local levy increments above 16; and

564 (C) the guaranteed amount for each local levy increment per weighted pupil unit
565 described in Subsection (2)(a)(i).

566 (c) The number of guaranteed local levy increments under this Subsection (2) for a
567 school district may not exceed 38 guaranteed local levy increments, regardless of whether the
568 guaranteed local levy increments are from the imposition of a voted local levy, a board local
569 levy, or a combination of the two.

570 (3) (a) Beginning July 1, 2015, the \$35.55 guarantee described in Subsection (2)(a)(i)
571 shall be indexed each year to the value of the weighted pupil unit by making the value of the
572 guarantee equal to .011962 times the value of the prior year's weighted pupil unit.

573 (b) The guarantee shall increase by .0005 times the value of the prior year's weighted
574 pupil unit for each succeeding year subject to the Legislature appropriating funds for an
575 increase in the guarantee.

576 (4) (a) The amount of guaranteed local levy increment money that a school district
577 would otherwise be entitled to receive under this section may not be reduced for the sole reason
578 that the school district's board local levy or voted local levy is reduced as a consequence of
579 changes in a certified tax rate under Section 59-2-924 pursuant to changes in property
580 valuation.

581 (b) Subsection (4)(a) applies for a period of five years following a change in the
582 certified tax rate as described in Subsection (4)(a).

583 (5) The guaranteed local levy increments from the imposition of a voted local levy do
584 not apply to the portion of a voted local levy rate that exceeds the voted local levy rate that was

585 in effect for the previous fiscal year, unless an increase in the voted local levy rate was
 586 authorized in an election described in Section 53A-17a-133 conducted on or after July 1 of the
 587 previous fiscal year and before December 2 of the previous fiscal year.

588 (6) (a) If a voted and board local levy funding balance exists for the prior fiscal year,
 589 the State Board of Education shall:

590 (i) use the voted and board local levy funding balance to increase the value of the state
 591 guarantee per weighted pupil unit described in Subsection (3)(a) in the current fiscal year; and

592 (ii) distribute guaranteed local levy increment funds to school districts based on the
 593 increased value of the state guarantee per weighted pupil unit described in Subsection (6)(a)(i).

594 (b) The State Board of Education shall report action taken under Subsection (6)(a) to
 595 the Office of the Legislative Fiscal Analyst and the Governor's Office of Management and
 596 Budget.

597 (7) A local school board of a school district that receives funds described in this section
 598 shall budget and expend the funds for any public education purpose.

598a **§→ (8)(a) §→ [The] Subject to the prioritization of the Audit Subcommittee, the ←§ Office of**
 598a1 **the Legislative Auditor General established under Section 36-12-15**

598b **shall on or before November 1, 2019:**

598c **(i) conduct an audit of money appropriated and allocated under Subsection (2)(b); and**

598d **(ii) prepare and submit a written report of the audit in accordance with Subsection 36-**
 598e **12-15(4)(b)(ii).**

598f **(b) The audit shall include:**

598g **(i) the annual amount of money appropriated under Subsection (2)(b)(i);**

598h **(ii)(A) which school districts received money under Subsection (2)(b)(ii); and**

598i **(B) what expenses each school district paid for with the money;**

598j **(iii) how the appropriation described in Subsection (2)(b)(i) affected differences in per**
 598k **student property tax revenue between school districts within the state; and**

598l **(iv) what effects, if any, the appropriation described in Subsection (2)(b)(i) has had on**
 598m **statewide education, including any discrepancies between the effect on school districts and**
 598n **charter schools. ←§**

599 Section 6. Section 53A-17a-134 is amended to read:

600 **53A-17a-134. Board-approved leeway -- Purpose -- State support -- Disapproval.**

601 (1) Except as provided in Subsection (9), a local school board may levy a tax rate of up
 602 to .0004 per dollar of taxable value to maintain a school program above the cost of the basic
 603 school program as follows:

604 (a) a local school board shall use the money generated by the tax for class size

605 reduction within the school district;

606 (b) if a local school board determines that the average class size in the school district is
607 not excessive, it may use the money for other school purposes but only if the board has
608 declared the use for other school purposes in a public meeting prior to levying the tax rate; and

609 (c) a district may not use the money for other school purposes under Subsection (1)(b)
610 until it has certified in writing that its class size needs are already being met and has identified
611 the other school purposes for which the money will be used to the State Board of Education
612 and the state board has approved their use for other school purposes.

613 (2) (a) The state shall contribute an amount sufficient to guarantee \$27.36 per weighted
614 pupil unit for each .0001 per dollar of taxable value.

615 (b) The guarantee shall increase in the same manner as provided for the voted local

616 levy guarantee in Subsection [~~53A-17a-133(4)(c)~~] 53A-17a-133.5(3)(a).

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

621 (ii) Subsection (2)(c)(i) applies for a period of five years following any such change in
622 the certified tax rate.

623 (d) The guarantee provided under this section does not apply to:

624 (i) a board-authorized leeway in the first fiscal year the leeway is in effect, unless the
625 leeway was approved by voters pursuant to Subsections (4) through (6); or

626 (ii) the portion of a board-authorized leeway rate that is in excess of the
627 board-authorized leeway rate that was in effect for the previous fiscal year.

628 (3) The levy authorized under this section is not in addition to the maximum rate of
629 .002 authorized in Section 53A-17a-133, but is a board-authorized component of the total tax
630 rate under that section.

631 (4) As an exception to Section 53A-17a-133, the board-authorized levy does not
632 require voter approval, but the board may require voter approval if requested by a majority of
633 the board.

634 (5) An election to consider disapproval of the board-authorized levy is required, if
635 within 60 days after the levy is established by the board, referendum petitions signed by the
636 number of legal voters required in Section 20A-7-301, who reside within the school district, are
637 filed with the school district.

638 (6) (a) A local school board shall establish its board-approved levy by April 1 to have
639 the levy apply to the fiscal year beginning July 1 in that same calendar year except that if an
640 election is required under this section, the levy applies to the fiscal year beginning July 1 of the
641 next calendar year.

642 (b) The approval and disapproval votes authorized in Subsections (4) and (5) shall
643 occur at a general election in even-numbered years, except that a vote required under this
644 section in odd-numbered years shall occur at a special election held on a day in odd-numbered
645 years that corresponds to the general election date. The school district shall pay for the cost of
646 a special election.

647 (7) (a) Modification or termination of a voter-approved leeway rate authorized under
648 this section is governed by Section [53A-17a-133](#).

649 (b) A board-authorized leeway rate may be modified or terminated by a majority vote
650 of the board subject to disapproval procedures specified in this section.

651 (8) A board levy election does not require publication of a voter information pamphlet.

652 (9) Beginning January 1, 2012, a local school board may not levy a tax in accordance
653 with this section.

654 Section 7. Section **53A-17a-135.1** is amended to read:

655 **53A-17a-135.1. Minimum Basic Growth Account.**

656 (1) As used in this section, "account" means the Minimum Basic Growth Account
657 created in this section.

658 (2) There is created within the Education Fund a restricted account known as the
659 "Minimum Basic Growth Account."

660 (3) The account shall be funded by amounts deposited into the account in accordance
661 with Section [53A-17a-135](#).

662 (4) The account shall earn interest.

663 (5) Interest earned on the account shall be deposited into the account.

664 (6) Upon appropriation by the Legislature:

665 (a) 75% of the money from the account shall be used to fund the state's contribution to
666 the voted local levy guarantee described in [~~Subsection [53A-17a-133\(4\)](#)] Section
667 [53A-17a-133.5](#);~~

668 (b) 20% of the money from the account shall be used to fund the Capital Outlay
669 Foundation Program as provided in Title 53A, Chapter 21, Part 2, Capital Outlay Foundation
670 Program; and

671 (c) 5% of the money from the account shall be used to fund the Capital Outlay
672 Enrollment Growth Program as provided in Title 53A, Chapter 21, Part 3, Capital Outlay
673 Enrollment Growth Program.

674 Section 8. Section **53A-17a-136** is amended to read:

675 **53A-17a-136. Cost of operation and maintenance of minimum school program --**
676 **Division between state and school districts.**

677 (1) The total cost of operation and maintenance of the minimum school program in the

678 state is divided between the state and school districts as follows:

679 (a) Each school district shall impose a minimum basic tax rate on all taxable, tangible
680 property in the school district and shall contribute the tax proceeds toward the cost of the basic
681 program as provided in this chapter.

682 (b) Each school district may also impose a levy for the purpose of participating in the
683 levy programs provided in Section [53A-17a-133](#) or [53A-17a-164](#).

684 (c) The state shall contribute the balance of the total costs.

685 (2) The contributions by the school districts and by the state are computed separately
686 for the purpose of determining their respective contributions to:

687 (a) the basic program; and ~~[to]~~

688 (b) (i) the levy programs provided in Section [53A-17a-133](#) or [53A-17a-164](#)~~[-];~~ and

689 (ii) the state guarantee of the levy programs as described in Section [53A-17a-133.5](#).

690 Section 9. Section **53A-17a-146** is amended to read:

691 **53A-17a-146. Reduction of district allocation based on insufficient revenues.**

692 (1) As used in this section, "Minimum School Program funds" means the total of state
693 and local funds appropriated for the Minimum School Program, excluding:

694 (a) the state-supported voted local levy ~~[program]~~ and board local levy programs
695 pursuant to Section ~~[[53A-17a-133](#);~~ ~~(b) the state-supported board local levy program pursuant~~
696 ~~to Section [53A-17a-164](#)]~~ [53A-17a-133.5](#); and

697 ~~[(c)]~~ (b) the appropriation to charter schools to replace local property tax revenues
698 pursuant to Section [53A-1a-513](#).

699 (2) If the Legislature reduces appropriations made to support public schools under this
700 chapter because an Education Fund budget deficit, as defined in Section [63J-1-312](#), exists, the
701 State Board of Education, after consultation with each school district and charter school, shall
702 allocate the reduction among school districts and charter schools in proportion to each school
703 district's or charter school's percentage share of Minimum School Program funds.

704 (3) Except as provided in Subsection (5) and subject to the requirements of Subsection
705 (7), a school district or charter school shall determine which programs are affected by a
706 reduction pursuant to Subsection (2) and the amount each program is reduced.

707 (4) Except as provided in Subsections (5) and (6), the requirement to spend a specified
708 amount in any particular program is waived if reductions are made pursuant to Subsection (2).

709 (5) A school district or charter school may not reduce or reallocate spending of funds
710 distributed to the school district or charter school for the following programs:

- 711 (a) educator salary adjustments provided in Section 53A-17a-153;
- 712 (b) the Teacher Salary Supplement Program provided in Section 53A-17a-156;
- 713 (c) the extended year for special educators provided in Section 53A-17a-158;
- 714 (d) USTAR centers provided in Section 53A-17a-159;
- 715 (e) the School LAND Trust Program created in Section 53A-16-101.5; or
- 716 (f) a special education program within the Basic School Program.

717 (6) A school district or charter school may not reallocate spending of funds distributed
718 to the school district or charter school to a reserve account.

719 (7) A school district or charter school that reduces or reallocates funds in accordance
720 with this section shall report all transfers into, or out of, Minimum School Program programs
721 to the State Board of Education as part of the school district or charter school's Annual
722 Financial and Program report.

723 Section 10. Section 53A-17a-164 is amended to read:

724 **53A-17a-164. Board local levy.**

725 (1) As used in this section, "board local levy" means a local levy imposed in
726 accordance with this section by a local school board.

727 ~~[(1)]~~ (2) Subject to the other requirements of this section, for a calendar year beginning
728 on or after January 1, 2012, a local school board may levy a tax to fund the school district's
729 general fund.

730 ~~[(2)]~~ (3) (a) For purposes of this Subsection ~~[(2)]~~ (3), "combined rate" means the sum
731 of:

- 732 (i) the rate imposed by a local school board under Subsection ~~[(1)]~~ (2); and
- 733 (ii) the charter school levy rate, described in Section 53A-1a-513.1, for the local school
734 board's school district.

735 (b) Except as provided in Subsection ~~[(2)]~~ (3)(c), beginning on January 1, 2017, a
736 school district's combined rate may not exceed .0018 per dollar of taxable value in any calendar
737 year.

738 (c) Beginning on January 1, 2017, a school district's combined rate may not exceed
739 .0025 per dollar of taxable value in any calendar year if, during the calendar year beginning on

740 January 1, 2011, the school district's total tax rate for the following levies was greater than
741 .0018 per dollar of taxable value:

- 742 (i) a recreation levy imposed under Section 11-2-7;
- 743 (ii) a transportation levy imposed under Section 53A-17a-127;
- 744 (iii) a board-authorized levy imposed under Section 53A-17a-134;
- 745 (iv) an impact aid levy imposed under Section 53A-17a-143;
- 746 (v) the portion of a 10% of basic levy imposed under Section 53A-17a-145 that is
747 budgeted for purposes other than capital outlay or debt service;
- 748 (vi) a reading levy imposed under Section 53A-17a-151; and
- 749 (vii) a tort liability levy imposed under Section 63G-7-704.

750 ~~[(3) (a) In addition to the revenue a school district collects from the imposition of a
751 levy pursuant to this section, the state shall contribute an amount sufficient to guarantee that
752 each .0001 of the first .0004 per dollar of taxable value generates an amount equal to the state
753 guarantee per weighted pupil unit described in Subsection 53A-17a-133(4).]~~

754 ~~[(b) (i) The amount of state guarantee money to which a school district would
755 otherwise be entitled to under this Subsection (3) may not be reduced for the sole reason that
756 the district's levy is reduced as a consequence of changes in the certified tax rate under Section
757 59-2-924 pursuant to changes in property valuation.]~~

758 ~~[(ii) Subsection (3)(b)(i) applies for a period of five years following any changes in the
759 certified tax rate.]~~

760 (4) (a) For a calendar year beginning on or after January 1, 2017, the State Tax
761 Commission shall adjust a board local levy rate imposed by a local school board under this
762 section by the amount necessary to offset the change in revenues from the charter school levy
763 imposed under Section 53A-1a-513.1.

764 (b) A local school board is not required to comply with the notice and public hearing
765 requirements of Section 59-2-919 for an offset described in Subsection (4)(a) to the change in
766 revenues from the charter school levy imposed under Section 53A-1a-513.1.

767 (c) A local school board may not increase a board local levy rate under this section
768 before December 31, 2016, if the local school board did not give public notice on or before
769 March 4, 2016, of the local school board's intent to increase the board local levy rate.

770 (d) So long as the charter school levy rate does not exceed 25% of the charter school

771 levy per district revenues, a local school board may not increase a board local levy rate under
 772 this section if the purpose of increasing the board local levy rate is to capture the revenues
 773 assigned to the charter school levy through the adjustment in a board local levy rate under
 774 Subsection (4)(a).

775 (e) Before a local school board takes action to increase a board local levy rate under
 776 this section, the local school board shall:

777 (i) prepare a written statement that attests that the local school board is in compliance
 778 with Subsection (4)(d);

779 (ii) read the statement described in Subsection (4)(e)(i) during a local school board
 780 public meeting where the local school board discusses increasing the board local levy rate; and

781 (iii) send a copy of the statement described in Subsection (4)(e)(i) to the State Tax
 782 Commission.

783 Section 11. Section **53A-19-102** is amended to read:

784 **53A-19-102. Local governing board budget procedures.**

785 (1) As used in this section:

786 (a) "Budget officer" means:

787 (i) for a school district, the school district's superintendent; or

788 (ii) for a charter school, an individual selected by the charter school governing board.

789 (b) "Governing board" means:

790 (i) for a school district, the local school board; or

791 (ii) for a charter school, the charter school governing board.

792 (2) (a) For a school district, before June 22 of each year, a local school board shall
 793 adopt a budget and make appropriations for the next fiscal year.

794 (b) For a school district, if the tax rate in the school district's proposed budget exceeds
 795 the certified tax rate defined in Section [59-2-924](#), the local school board shall comply with
 796 Section [59-2-919](#) in adopting the budget, except as provided by Section [~~53A-17a-133~~]
 797 [53A-17a-133.5](#).

798 (3) (a) For a school district, before the adoption or amendment of a budget, a local
 799 school board shall hold a public hearing, as defined in Section [10-9a-103](#), on the proposed
 800 budget or budget amendment.

801 (b) In addition to complying with Title 52, Chapter 4, Open and Public Meetings Act,

802 in regards to the public hearing described in Subsection (3)(a), at least 10 days prior to the
803 public hearing, a local school board shall:

804 (i) publish a notice of the public hearing in a newspaper or combination of newspapers
805 of general circulation in the school district, except as provided in Section 45-1-101;

806 (ii) publish a notice of the public hearing electronically in accordance with Section
807 45-1-101;

808 (iii) file a copy of the proposed budget with the local school board's business
809 administrator for public inspection; and

810 (iv) post the proposed budget on the school district's Internet website.

811 (c) A notice of a public hearing on a school district's proposed budget shall include
812 information on how the public may access the proposed budget as provided in Subsections
813 (3)(b)(iii) and (iv).

814 (4) For a charter school, before June 22 of each year, a charter school governing board
815 shall adopt a budget for the next fiscal year.

816 (5) Within 30 days of adopting a budget, a governing board shall file a copy of the
817 adopted budget with the state auditor and the State Board of Education.

818 Section 12. **Effective date.**

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

Legislative Review Note
Office of Legislative Research and General Counsel