

**Senator Lincoln Fillmore** proposes the following substitute bill:

**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

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**LONG TITLE**

**General Description:**

This bill amends school funding provisions.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ requires the state, under certain requirements, to guarantee:
  - the board local levy guaranteed local levy increments above four increments;

and

- the voted local levy guaranteed local levy increments above 16 increments;
- ▶ directs the Office of the Legislative Auditor General to conduct an audit of the

amount of money appropriated for and use of increased local levy guaranteed 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:



- 25 • a voted local levy;
- 26 • the use of guaranteed local levy increments; and
- 27 • a board local levy;
- 28 ▶ repeals outdated language related to a local school board receiving the state
- 29 guarantee for a tax imposed before December 31, 2011; 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, 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

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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 [(e)] (b) "Charter school levy per pupil revenues" means the same as that term is

56 defined in Section [53A-1a-513.1](#).

57 ~~[(b)]~~ (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 may impose or modify a voted local levy on 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 may impose the tax rate.

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

518 Section 5. Section [53A-17a-133.5](#) is enacted to read:

519 **[53A-17a-133.5](#). State guaranteed local levy increments -- Appropriation to**  
520 **increase number of guaranteed local levy increments -- No effect of change of certified**

521 **tax rate -- Voted and board local levy funding balance -- Use of guaranteed local levy**  
522 **increment funds.**

523 (1) As used in this section:

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

525 (b) "Guaranteed local levy increment" means a local levy increment guaranteed by the  
526 state:

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

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

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

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

531 (i) the amount appropriated for the guaranteed local levy increments of the voted local  
532 levy and board local levy in a fiscal year; and

533 (ii) the amount necessary to fund in the same fiscal year the guaranteed local levy  
534 increments as determined under this section.

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

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

538 (i) subject to Subsection (3)(a), for each guaranteed local levy increment an amount  
539 sufficient to guarantee \$35.55 per weighted pupil unit;

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

542 (B) for a voted local levy, the amount described in Subsection (2)(a)(i) for the first 16  
543 local levy increments a local school board imposes under the voted local levy; and

544 (iii) subject to Subsection (2)(b) and legislative appropriations, for a fiscal year that  
545 begins on or after July 1, 2017:

546 (A) for the board local levy, increase the number of guaranteed local levy increments  
547 above four by increasing the number of guaranteed local levy increments by two each fiscal  
548 year; and

549 (B) for the voted local levy, increase the number of guaranteed local levy increments  
550 above 16 by increasing the number of guaranteed local levy increments by two each fiscal year.

551 (b) The number of guaranteed local levy increments under this Subsection (2) for a

552 school district may not exceed 38 guaranteed local levy increments, regardless of whether the  
553 guaranteed local levy increments are from the imposition of a voted local levy, a board local  
554 levy, or a combination of the two.

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

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

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

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

568 (5) The guaranteed local levy increments from the imposition of a voted local levy do  
569 not apply to the portion of a voted local levy rate that exceeds the voted local levy rate that was  
570 in effect for the previous fiscal year, unless an increase in the voted local levy rate was  
571 authorized in an election described in Section 53A-17a-133 conducted on or after July 1 of the  
572 previous fiscal year and before December 2 of the previous fiscal year.

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

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

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

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

582 (7) A local school board of a school district that receives funds described in this section

583 shall budget and expend the funds for any public education purpose.

584 (8) (a) Subject to the prioritization of the Audit Subcommittee, the Office of the  
585 Legislative Auditor General established under Section 36-12-15 shall on or before November  
586 1, 2019:

587 (i) conduct an audit of money appropriated under Subsection (2)(a)(iii); and

588 (ii) prepare and submit a written report of the audit in accordance with Subsection  
589 36-12-15(4)(b)(ii).

590 (b) The audit shall include:

591 (i) the annual amount of money appropriated under Subsection (2)(a)(iii);

592 (ii) (A) which school districts received money under Subsection (2)(a)(iii); and

593 (B) what expenses each school district paid for with the money;

594 (iii) how an increase in the number of guaranteed local levy increments described in  
595 Subsection (2)(a)(iii)(A) and (B) affected differences in per student property tax revenue  
596 between school districts within the state; and

597 (iv) what effects, if any, an increase in the number of guaranteed local levy increments  
598 described in Subsection (2)(a)(iii)(A) and (B) has had on statewide education, including any  
599 discrepancies between the effect on school districts and charter schools.

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

601 **53A-17a-134. Board-approved leeway -- Purpose -- State support -- Disapproval.**

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

605 (a) a local school board shall use the money generated by the tax for class size  
606 reduction within the school district;

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

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

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

616 (b) The guarantee shall increase in the same manner as provided for the voted local  
617 levy guarantee in Subsection [~~53A-17a-133(4)(c)~~] 53A-17a-133.5(3)(a).

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

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

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

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

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

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

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

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

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

643 (b) The approval and disapproval votes authorized in Subsections (4) and (5) shall  
644 occur at a general election in even-numbered years, except that a vote required under this

645 section in odd-numbered years shall occur at a special election held on a day in odd-numbered  
646 years that corresponds to the general election date. The school district shall pay for the cost of  
647 a special election.

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

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

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

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

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

656 **53A-17a-135.1. Minimum Basic Growth Account.**

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

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

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

663 (4) The account shall earn interest.

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

665 (6) Upon appropriation by the Legislature:

666 (a) 75% of the money from the account shall be used to fund the state's contribution to  
667 the voted local levy guarantee described in [~~Subsection [53A-17a-133\(4\)](#)] Section  
668 [53A-17a-133.5](#);~~

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

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

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

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

678 (1) The total cost of operation and maintenance of the minimum school program in the  
 679 state is divided between the state and school districts as follows:

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

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

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

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

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

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

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

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

692 **53A-17a-146. Reduction of district allocation based on insufficient revenues.**

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

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

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

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

705 (3) Except as provided in Subsection (5) and subject to the requirements of Subsection  
 706 (7), a school district or charter school shall determine which programs are affected by a

707 reduction pursuant to Subsection (2) and the amount each program is reduced.

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

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

712 (a) educator salary adjustments provided in Section 53A-17a-153;

713 (b) the Teacher Salary Supplement Program provided in Section 53A-17a-156;

714 (c) the extended year for special educators provided in Section 53A-17a-158;

715 (d) USTAR centers provided in Section 53A-17a-159;

716 (e) the School LAND Trust Program created in Section 53A-16-101.5; or

717 (f) a special education program within the Basic School Program.

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

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

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

725 **53A-17a-164. Board local levy.**

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

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

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

733 (i) the rate imposed by a local school board under Subsection ~~[(+)]~~ (2); and

734 (ii) the charter school levy rate, described in Section 53A-1a-513.1, for the local school  
735 board's school district.

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



738 year.

739 (c) Beginning on January 1, 2017, a school district's combined rate may not exceed  
740 .0025 per dollar of taxable value in any calendar year if, during the calendar year beginning on  
741 January 1, 2011, the school district's total tax rate for the following levies was greater than  
742 .0018 per dollar of taxable value:

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

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

755 ~~[(b) (i) The amount of state guarantee money to which a school district would~~  
756 ~~otherwise be entitled to under this Subsection (3) may not be reduced for the sole reason that~~  
757 ~~the district's levy is reduced as a consequence of changes in the certified tax rate under Section~~  
758 ~~59-2-924 pursuant to changes in property valuation.]~~

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

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

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

768 (c) A local school board may not increase a board local levy rate under this section

769 before December 31, 2016, if the local school board did not give public notice on or before  
770 March 4, 2016, of the local school board's intent to increase the board local levy rate.

771 (d) So long as the charter school levy rate does not exceed 25% of the charter school  
772 levy per district revenues, a local school board may not increase a board local levy rate under  
773 this section if the purpose of increasing the board local levy rate is to capture the revenues  
774 assigned to the charter school levy through the adjustment in a board local levy rate under  
775 Subsection (4)(a).

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

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

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

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

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

785 **53A-19-102. Local governing board budget procedures.**

786 (1) As used in this section:

787 (a) "Budget officer" means:

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

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

790 (b) "Governing board" means:

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

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

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

795 (b) For a school district, if the tax rate in the school district's proposed budget exceeds  
796 the certified tax rate defined in Section [59-2-924](#), the local school board shall comply with  
797 Section [59-2-919](#) in adopting the budget, except as provided by Section [[53A-17a-133](#)]  
798 [53A-17a-133.5](#).

799 (3) (a) For a school district, before the adoption or amendment of a budget, a local

800 school board shall hold a public hearing, as defined in Section 10-9a-103, on the proposed  
801 budget or budget amendment.

802 (b) In addition to complying with Title 52, Chapter 4, Open and Public Meetings Act,  
803 in regards to the public hearing described in Subsection (3)(a), at least 10 days prior to the  
804 public hearing, a local school board shall:

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

807 (ii) publish a notice of the public hearing electronically in accordance with Section  
808 45-1-101;

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

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

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

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

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

819 Section 12. **Effective date.**

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