

Senator Lincoln Fillmore proposes the following substitute bill:

MINIMUM SCHOOL PROGRAM REVISIONS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: Steve Eliason

Cosponsor: Howard A. Stephenson

LONG TITLE

General Description:

This bill amends provisions related to the minimum school program.

Highlighted Provisions:

This bill:

- ▶ defines pledged tax increment and other terms;
- ▶ requires the state to include pledged tax increment when determining the state's contributions toward the minimum school program; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

53A-1a-106, as last amended by Laws of Utah 2012, Chapter 315

53A-2-214, as last amended by Laws of Utah 2011, Chapter 371



- 25 **53A-17a-103**, as last amended by Laws of Utah 2016, Chapter 367
- 26 **53A-17a-133**, as last amended by Laws of Utah 2016, Chapters 2, 350, and 367
- 27 **53A-17a-135**, as last amended by Laws of Utah 2016, Chapter 2
- 28 **53A-17a-164**, as last amended by Laws of Utah 2016, Chapters 229, 350, and 367
- 29 **63J-1-220**, as enacted by Laws of Utah 2015, Chapter 407

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

32 Section 1. Section **53A-1a-106** is amended to read:

33 **53A-1a-106. School district and individual school powers -- Student**
34 **education/occupation plan (SEOP) definition.**

35 (1) In order to acquire and develop the characteristics listed in Section **53A-1a-104**,
36 each school district and each public school within its respective district shall implement a
37 comprehensive system of accountability in which students advance through public schools by
38 demonstrating competency in required skills and mastery of required knowledge through the
39 use of diverse assessment instruments such as authentic and criterion referenced tests, projects,
40 and portfolios.

41 (2) (a) Each school district and public school shall:

- 42 (i) develop and implement programs integrating technology into the curriculum,
43 instruction, and student assessment;
- 44 (ii) provide for teacher and parent involvement in policymaking at the school site;
- 45 (iii) implement a public school choice program to give parents, students, and teachers
46 greater flexibility in designing and choosing among programs with different focuses through
47 schools within the same district and other districts, subject to space availability, demographics,
48 and legal and performance criteria;
- 49 (iv) establish strategic planning at both the district and school level and site-based
50 decision making programs at the school level;
- 51 (v) provide opportunities for each student to acquire and develop academic and
52 occupational knowledge, skills, and abilities;
- 53 (vi) participate in ongoing research and development projects primarily at the school
54 level aimed at improving the quality of education within the system; and
- 55 (vii) involve business and industry in the education process through the establishment

56 of partnerships with the business community at the district and school level.

57 (b) (i) As used in this title, "student education/occupation plan" or "SEOP" means a
58 plan developed by a student and the student's parent or guardian, in consultation with school
59 counselors, teachers, and administrators that:

60 (A) is initiated at the beginning of grade 7;

61 (B) identifies a student's skills and objectives;

62 (C) maps out a strategy to guide a student's course selection; and

63 (D) links a student to post-secondary options, including higher education and careers.

64 (ii) Each local school board, in consultation with school personnel, parents, and school
65 community councils or similar entities shall establish policies to provide for the effective
66 implementation of a personalized student education plan (SEP) or student
67 education/occupation plan (SEOP) for each student at the school site.

68 (iii) The policies shall include guidelines and expectations for:

69 (A) recognizing the student's accomplishments, strengths, and progress towards
70 meeting student achievement standards as defined in U-PASS;

71 (B) planning, monitoring, and managing education and career development; and

72 (C) involving students, parents, and school personnel in preparing and implementing
73 SEPs and SEOPs.

74 (iv) A parent may request conferences with school personnel in addition to SEP or
75 SEOP conferences established by local school board policy.

76 (v) Time spent during the school day to implement SEPs and SEOPs is considered part
77 of the school term referred to in Subsection [53A-17a-103](#)~~(4)~~(7).

78 (3) A school district or public school may submit proposals to modify or waive rules or
79 policies of a supervisory authority within the public education system in order to acquire or
80 develop the characteristics listed in Section [53A-1a-104](#).

81 (4) (a) Each school district and public school shall make an annual report to its patrons
82 on its activities under this section.

83 (b) The reporting process shall involve participation from teachers, parents, and the
84 community at large in determining how well the district or school is performing.

85 Section 2. Section **53A-2-214** is amended to read:

86 **53A-2-214. Online students' participation in extracurricular activities.**

87 (1) As used in this section:

88 (a) "Online education" means the use of information and communication technologies
89 to deliver educational opportunities to a student in a location other than a school.

90 (b) "Online student" means a student who:

91 (i) participates in an online education program sponsored or supported by the State
92 Board of Education, a school district, or charter school; and

93 (ii) generates funding for the school district or school pursuant to Subsection
94 [53A-17a-103](#)~~(4)~~(7) and rules of the State Board of Education.

95 (2) An online student is eligible to participate in extracurricular activities at:

96 (a) the school within whose attendance boundaries the student's custodial parent or
97 legal guardian resides; or

98 (b) the public school from which the student withdrew for the purpose of participating
99 in an online education program.

100 (3) A school other than a school described in Subsection (2)(a) or (b) may allow an
101 online student to participate in extracurricular activities other than:

102 (a) interschool competitions of athletic teams sponsored and supported by a public
103 school; or

104 (b) interschool contests or competitions for music, drama, or forensic groups or teams
105 sponsored and supported by a public school.

106 (4) An online student is eligible for extracurricular activities at a public school
107 consistent with eligibility standards as applied to full-time students of the public school.

108 (5) A school district or public school may not impose additional requirements on an
109 online school student to participate in extracurricular activities that are not imposed on
110 full-time students of the public school.

111 (6) (a) The State Board of Education shall make rules establishing fees for an online
112 school student's participation in extracurricular activities at school district schools.

113 (b) The rules shall provide that:

114 (i) online school students pay the same fees as other students to participate in
115 extracurricular activities;

116 (ii) online school students are eligible for fee waivers pursuant to Section [53A-12-103](#);

117 (iii) for each online school student who participates in an extracurricular activity at a

118 school district school, the online school shall pay a share of the school district's costs for the
119 extracurricular activity; and

120 (iv) an online school's share of the costs of an extracurricular activity shall reflect state
121 and local tax revenues expended, except capital facilities expenditures, for an extracurricular
122 activity in a school district or school divided by total student enrollment of the school district
123 or school.

124 (c) In determining an online school's share of the costs of an extracurricular activity
125 under Subsections (6)(b)(iii) and (iv), the State Board of Education may establish uniform fees
126 statewide based on average costs statewide or average costs within a sample of school districts.

127 (7) When selection to participate in an extracurricular activity at a public school is
128 made on a competitive basis, an online student is eligible to try out for and participate in the
129 activity as provided in this section.

130 Section 3. Section **53A-17a-103** is amended to read:

131 **53A-17a-103. Definitions.**

132 As used in this chapter:

133 (1) "Basic state-supported school program" or "basic program" means public education
134 programs for kindergarten, elementary, and secondary school students that are operated and
135 maintained for the amount derived by multiplying the number of weighted pupil units for each
136 school district or charter school by the value established each year in statute, except as
137 otherwise provided in this chapter.

138 (2) (a) "Certified revenue levy" means a property tax levy that provides an amount of
139 ad valorem property tax revenue equal to the sum of:

140 (i) the amount of ad valorem property tax revenue to be generated statewide in the
141 previous year from imposing a minimum basic tax rate, as specified in Section [53A-17a-135](#);
142 and

143 (ii) the product of:

144 (A) eligible new growth, as defined in Section [59-2-924](#) and rules of the State Tax
145 Commission; and

146 (B) the minimum basic tax rate certified by the State Tax Commission for the previous
147 year.

148 (b) For purposes of this Subsection (2), "ad valorem property tax revenue" does not

149 include property tax revenue received statewide from personal property that is:

150 (i) assessed by a county assessor in accordance with Title 59, Chapter 2, Part 3, County
151 Assessment; and

152 (ii) semiconductor manufacturing equipment.

153 (c) For purposes of calculating the certified revenue levy described in this Subsection
154 (2), the State Tax Commission shall use:

155 (i) the taxable value of real property assessed by a county assessor contained on the
156 assessment roll;

157 (ii) the taxable value of real and personal property assessed by the State Tax
158 Commission; and

159 (iii) the taxable year end value of personal property assessed by a county assessor
160 contained on the prior year's assessment roll.

161 (3) "Community reinvestment agency" means the same as that term is defined in
162 Section 17C-1-102.

163 (4) "Pledged tax increment" means tax increment, as defined in Section 17C-1-102,
164 that a school district authorizes a community reinvestment agency to receive under a project
165 area budget that is adopted after May 9, 2017.

166 (5) "Project area budget" means the same as that term is defined in Section 17C-1-102.

167 [~~3~~] (6) "Pupil in average daily membership (ADM)" means a full-day equivalent
168 pupil.

169 [~~4~~] (7) (a) "State-supported minimum school program" or "Minimum School
170 Program" means public school programs for kindergarten, elementary, and secondary schools
171 as described in this Subsection [~~4~~] (7).

172 (b) The minimum school program established in school districts and charter schools
173 shall include the equivalent of a school term of nine months as determined by the State Board
174 of Education.

175 (c) (i) The board shall establish the number of days or equivalent instructional hours
176 that school is held for an academic school year.

177 (ii) Education, enhanced by utilization of technologically enriched delivery systems,
178 when approved by local school boards or charter school governing boards, shall receive full
179 support by the State Board of Education as it pertains to fulfilling the attendance requirements,

180 excluding time spent viewing commercial advertising.

181 (d) (i) A local school board or charter school governing board may reallocate up to 32
182 instructional hours or four school days established under Subsection [~~(4)~~] (7)(c) for teacher
183 preparation time or teacher professional development.

184 (ii) A reallocation of instructional hours or school days under Subsection [~~(4)~~] (7)(d)(i)
185 is subject to the approval of two-thirds of the members of a local school board or charter school
186 governing board voting in a regularly scheduled meeting:

187 (A) at which a quorum of the local school board or charter school governing board is
188 present; and

189 (B) held in compliance with Title 52, Chapter 4, Open and Public Meetings Act.

190 (iii) If a local school board or charter school governing board reallocates instructional
191 hours or school days as provided by this Subsection [~~(4)~~] (7)(d), the school district or charter
192 school shall notify students' parents and guardians of the school calendar at least 90 days before
193 the beginning of the school year.

194 (iv) Instructional hours or school days reallocated for teacher preparation time or
195 teacher professional development pursuant to this Subsection [~~(4)~~] (7)(d) is considered part of a
196 school term referred to in Subsection [~~(4)~~] (7)(b).

197 (e) The Minimum School Program includes a program or allocation funded by a line
198 item appropriation or other appropriation designated as follows:

- 199 (i) Basic School Program;
- 200 (ii) Related to Basic Programs;
- 201 (iii) Voted and Board Levy Programs; or
- 202 (iv) Minimum School Program.

203 [~~(5)~~] (8) "Weighted pupil unit or units or WPU or WPUs" means the unit of measure of
204 factors that is computed in accordance with this chapter for the purpose of determining the
205 costs of a program on a uniform basis for each district.

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

207 **53A-17a-133. State-supported voted local levy authorized -- Election**
208 **requirements -- State guarantee -- Reconsideration of the program.**

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

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

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

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

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

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

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

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

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

232 (ii) When determining the school district's revenue described in Subsection (4)(a)(i),
233 the state shall include any pledged tax increment generated from a levy imposed under this
234 section.

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

239 (c) (i) Beginning July 1, 2015, the \$35.55 guarantee under Subsections (4)(a) and (b)
240 shall be indexed each year to the value of the weighted pupil unit for the grades 1 through 12
241 program by making the value of the guarantee equal to .011962 times the value of the prior

242 year's weighted pupil unit for the grades 1 through 12 program.

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

246 (d) (i) The amount of state guarantee money to which a school district would otherwise
247 be entitled to receive under this Subsection (4) may not be reduced for the sole reason that the
248 district's levy is reduced as a consequence of changes in the certified tax rate under Section
249 [59-2-924](#) pursuant to changes in property valuation.

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

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

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

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

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

263 (ii) The State Board of Education shall report action taken under this Subsection (4)(f)
264 to the Office of the Legislative Fiscal Analyst and the Governor's Office of Management and
265 Budget.

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

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

270 (c) If adoption of a voted local levy is contingent upon an offset reducing other local
271 school board levies, the board must allow the electors, in an election, to consider modifying or
272 discontinuing the imposition of the levy prior to a subsequent increase in other levies that

273 would increase the total local school board levy.

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

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

281 (a) the voted local levy is approved:

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

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

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

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

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

294 (b) the voted local levy was approved:

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

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

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

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

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

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

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

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

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

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

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

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

325 Section 5. Section 53A-17a-135 is amended to read:

326 **53A-17a-135. Minimum basic tax rate -- Certified revenue levy.**

327 (1) As used in this section, "basic levy increment rate" means a tax rate that will
328 generate an amount of revenue equal to \$75,000,000.

329 (2) (a) In order to qualify for receipt of the state contribution toward the basic program
330 and as its contribution toward its costs of the basic program, each school district shall impose a
331 minimum basic tax rate per dollar of taxable value that generates \$392,266,800 in revenues
332 statewide.

333 (b) The preliminary estimate for the 2016-17 minimum basic tax rate is .001695.

334 (c) The State Tax Commission shall certify on or before June 22 the rate that generates

335 \$392,266,800 in revenues statewide.

336 (d) If the minimum basic tax rate exceeds the certified revenue levy as defined in
337 Section [53A-17a-103](#), the state is subject to the notice requirements of Section [59-2-926](#).

338 (3) (a) [~~The~~] Subject to Subsection (3)(c), the state shall contribute to each district
339 toward the cost of the basic program in the district that portion which exceeds the proceeds of
340 the difference between:

341 (i) the minimum basic tax rate to be imposed under Subsection (2); and

342 (ii) the basic levy increment rate.

343 (b) In accordance with the state strategic plan for public education and to fulfill its
344 responsibility for the development and implementation of that plan, the Legislature instructs
345 the State Board of Education, the governor, and the Office of Legislative Fiscal Analyst in each
346 of the coming five years to develop budgets that will fully fund student enrollment growth.

347 (c) When determining the state's contribution described in Subsection (3)(a), the state
348 shall include any pledged tax increment generated from the minimum basic rate.

349 (4) (a) If the difference described in Subsection (3)(a) equals or exceeds the cost of the
350 basic program in a school district, no state contribution shall be made to the basic program.

351 (b) The proceeds of the difference described in Subsection (3)(a) that exceed the cost
352 of the basic program shall be paid into the Uniform School Fund as provided by law.

353 (5) The State Board of Education shall:

354 (a) deduct from state funds that a school district is authorized to receive under this
355 chapter an amount equal to the proceeds generated within the school district by the basic levy
356 increment rate; and

357 (b) deposit the money described in Subsection (5)(a) into the Minimum Basic Growth
358 Account created in Section [53A-17a-135.1](#).

359 Section 6. Section [53A-17a-164](#) is amended to read:

360 **[53A-17a-164. Board local levy -- State guarantee.](#)**

361 (1) Subject to the other requirements of this section, for a calendar year beginning on
362 or after January 1, 2012, a local school board may levy a tax to fund the school district's
363 general fund.

364 (2) (a) For purposes of this Subsection (2), "combined rate" means the sum of:

365 (i) the rate imposed by a local school board under Subsection (1); and

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

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

370 (c) Beginning on January 1, 2017, a school district's combined rate may not exceed
371 .0025 per dollar of taxable value in any calendar year if, during the calendar year beginning on
372 January 1, 2011, the school district's total tax rate for the following levies was greater than
373 .0018 per dollar of taxable value:

374 (i) a recreation levy imposed under Section 11-2-7;

375 (ii) a transportation levy imposed under Section 53A-17a-127;

376 (iii) a board-authorized levy imposed under Section 53A-17a-134;

377 (iv) an impact aid levy imposed under Section 53A-17a-143;

378 (v) the portion of a 10% of basic levy imposed under Section 53A-17a-145 that is
379 budgeted for purposes other than capital outlay or debt service;

380 (vi) a reading levy imposed under Section 53A-17a-151; and

381 (vii) a tort liability levy imposed under Section 63G-7-704.

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

386 (ii) When determining the school district's revenue described in Subsection (3)(a)(i),
387 the state shall include any pledged tax increment generated from a levy imposed under this
388 section.

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

393 (ii) Subsection (3)(b)(i) applies for a period of five years following any changes in the
394 certified tax rate.

395 (4) (a) For a calendar year beginning on or after January 1, 2017, the State Tax
396 Commission shall adjust a board local levy rate imposed by a local school board under this

397 section by the amount necessary to offset the change in revenues from the charter school levy
398 imposed under Section 53A-1a-513.1.

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

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

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

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

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

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

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

418 Section 7. Section 63J-1-220 is amended to read:

419 **63J-1-220. Reporting related to pass through money distributed by state**
420 **agencies.**

421 (1) As used in this section:

422 (a) "Local government entity" means a county, municipality, school district, local
423 district under Title 17B, Limited Purpose Local Government Entities - Local Districts, special
424 service district under Title 17D, Chapter 1, Special Service District Act, or any other political
425 subdivision of the state.

426 (b) (i) "Pass through funding" means money appropriated by the Legislature to a state
427 agency that is intended to be passed through the state agency to one or more:

- 428 (A) local government entities;
- 429 (B) private organizations, including not-for-profit organizations; or
- 430 (C) persons in the form of a loan or grant.
- 431 (ii) "Pass through funding" may be:
- 432 (A) general funds, dedicated credits, or any combination of state funding sources; and
- 433 (B) ongoing or one-time.
- 434 (c) "Recipient entity" means a local government entity or private entity, including a
- 435 nonprofit entity, that receives money by way of pass through funding from a state agency.
- 436 (d) "State agency" means a department, commission, board, council, agency,
- 437 institution, officer, corporation, fund, division, office, committee, authority, laboratory, library,
- 438 unit, bureau, panel, or other administrative unit of the executive branch of the state.
- 439 (e) (i) "State money" means money that is owned, held, or administered by a state
- 440 agency and derived from state fees or tax revenues.
- 441 (ii) "State money" does not include contributions or donations received by a state
- 442 agency.
- 443 (2) A state agency may not provide a recipient entity state money through pass through
- 444 funding unless:
- 445 (a) the state agency enters into a written agreement with the recipient entity; and
- 446 (b) the written agreement described in Subsection (2)(a) requires the recipient entity to
- 447 provide the state agency:
- 448 (i) a written description and an itemized report at least annually detailing the
- 449 expenditure of the state money, or the intended expenditure of any state money that has not
- 450 been spent; and
- 451 (ii) a final written itemized report when all the state money is spent.
- 452 (3) A state agency shall provide to the Governor's Office of Management and Budget a
- 453 copy of a written description or itemized report received by the state agency under Subsection
- 454 (2).
- 455 (4) Notwithstanding Subsection (2), a state agency is not required to comply with this
- 456 section to the extent that the pass through funding is issued:
- 457 (a) under a competitive award process;
- 458 (b) in accordance with a formula enacted in statute;

459 (c) in accordance with a state program under parameters in statute or rule that guides
460 the distribution of the pass through funding; or
461 (d) under the authority of the minimum school program, as defined in Subsection
462 [53A-17a-103](#)~~(4)~~(7)(e).