

## SB0142S01 compared with SB0142

~~{deleted text}~~ shows text that was in SB0142 but was deleted in SB0142S01.

Inserted text shows text that was not in SB0142 but was inserted into SB0142S01.

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~~{REDEVELOPMENT AGENCY AMENDMENTS}~~ Senate Action: Filmmore proposes the following substitute bill:

### MINIMUM SCHOOL PROGRAM REVISIONS

2017 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Lincoln Filmmore**

House Sponsor: Steve Eliason

Cosponsor:

Howard A. Stephenson

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#### LONG TITLE

#### General Description:

This bill amends provisions related to ~~{tax increment}~~ the minimum school program.

#### Highlighted Provisions:

This bill:

- ▶ ~~{excludes taxes collected under the voted local levy, the board local levy, and the minimum basic levy from tax increment}~~ 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.

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### Money Appropriated in this Bill:

None

### Other Special Clauses:

None

### Utah Code Sections Affected:

AMENDS:

~~{17C-1-102}~~53A-1a-106, as last amended by Laws of Utah ~~{2016}~~2012, Chapter ~~{350}~~  
~~{315}~~

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

53A-17a-103, as last amended by Laws of Utah 2016, Chapter 367

53A-17a-133, as last amended by Laws of Utah 2016, Chapters 2, 350, and 367

53A-17a-135, as last amended by Laws of Utah 2016, Chapter 2

53A-17a-164, as last amended by Laws of Utah 2016, Chapters 229, 350, and 367

63J-1-220, as enacted by Laws of Utah 2015, Chapter 407

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

Section 1. Section ~~{17C-1-102}~~53A-1a-106 is amended to read:

~~{17C-1-102}~~53A-1a-106. School district and individual school powers -- Student education/occupation plan (SEOP) definition.

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

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

(i) develop and implement programs integrating technology into the curriculum, instruction, and student assessment;

(ii) provide for teacher and parent involvement in policymaking at the school site;

(iii) implement a public school choice program to give parents, students, and teachers greater flexibility in designing and choosing among programs with different focuses through

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schools within the same district and other districts, subject to space availability, demographics, and legal and performance criteria;

(iv) establish strategic planning at both the district and school level and site-based decision making programs at the school level;

(v) provide opportunities for each student to acquire and develop academic and occupational knowledge, skills, and abilities;

(vi) participate in ongoing research and development projects primarily at the school level aimed at improving the quality of education within the system; and

(vii) involve business and industry in the education process through the establishment of partnerships with the business community at the district and school level.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

(5) A school district or public school may not impose additional requirements on an

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online school student to participate in extracurricular activities that are not imposed on full-time students of the public school.

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

(b) The rules shall provide that:

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

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

(iii) for each online school student who participates in an extracurricular activity at a school district school, the online school shall pay a share of the school district's costs for the extracurricular activity; and

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

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

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

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

### 53A-17a-103. Definitions.

As used in this ~~{title: (1) "Active project area" means a project area that has not been dissolved}~~chapter:

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

(2) (a) "Certified revenue levy" means a property tax levy that provides an amount of

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ad valorem property tax revenue equal to the sum of:

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

and

(ii) the product of:

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

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

(b) For purposes of this Subsection (2), "ad valorem property tax revenue" does not include property tax revenue received statewide from personal property that is:

(i) assessed by a county assessor in accordance with ~~{Section 17C-1-702.~~

~~—— (2) "Adjusted tax increment" means the percentage of tax increment, if less than 100%, that an agency is authorized to receive: —— (a) for a pre-July 1, 1993, project area plan, under Section 17C-1-403, excluding tax increment under Subsection 17C-1-403(3); —— (b) for a post-June 30, 1993, project area plan, under Section 17C-1-404, excluding tax increment under Section 17C-1-406; —— (c) under a project area budget approved by a taxing entity committee; or —— (d) under an interlocal agreement that authorizes the agency to receive a taxing entity's tax increment.~~

~~—— (3) "Affordable housing" means housing owned or occupied by a low or moderate income family, as determined by resolution of the agency.~~

~~—— (4) "Agency" or "community" Title 59, Chapter 2, Part 3, County Assessment; and~~

(ii) semiconductor manufacturing equipment.

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

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

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

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

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~~(3) "Community reinvestment agency" means a separate body corporate and politic created under Section 17C-1-201.5 or as a redevelopment agency or community development and renewal agency under previous law: — (a) that is a political subdivision of the state; — (b) that is created to undertake or promote project area development as provided in this title; and — (c) whose geographic boundaries are coterminous with: — (i) for an agency created by a county, the unincorporated area of the county; and — (ii) for an agency created by a municipality, the boundaries of the municipality.~~

~~(5) "Agency funds" means money that an agency collects or receives for the purposes of agency operations or implementing a project area plan, including: — (a) project area funds; (b) income, proceeds, revenue, or property derived from or held in connection with the agency's undertaking and implementation of project area development; or (c) a contribution, loan, grant, or other financial assistance from any public or private source.~~

~~(6) "Annual income" means the same as that term is defined in regulations of the United States Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as amended or as superseded by replacement regulations.~~

~~(7) "Assessment roll" means the same as that term is defined in Section ~~59-2-102~~ 17C-1-102.~~

~~(8) "Base taxable value" means, unless otherwise adjusted in accordance with provisions of this title, a property's taxable value as shown upon the assessment roll last equalized during the base year.~~

~~(9) "Base year" means, except as provided in Subsection 17C-1-402(4)(c), the year during which the assessment roll is last equalized: — (a) for a pre-July 1, 1993, urban renewal or economic development project area plan, before the project area plan's effective date; (b) for a post-June 30, 1993, urban renewal or economic development project area plan, or~~

~~(4) "Pledged tax increment" means tax increment, as defined in Section 17C-1-102, that a school district authorizes a community reinvestment ~~project area plan that is subject to a taxing entity committee: — (i) before the date on which the taxing entity committee approves the~~ agency to receive under a project area budget; or — (ii) if taxing entity committee approval} that is not required for the project adopted after May 9, 2017.~~

~~(5) "Project area budget" means, before the date on which the community legislative body adopts the project area plan, — (c) for a project on an inactive airport site, after the later of:~~

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~~\_\_\_\_\_ (i) the date on which the inactive airport site is sold for remediation and development; or \_\_\_\_\_ (ii) the date on which the airport that operated on the inactive airport site ceased operations; or \_\_\_\_\_ (d) for a community development project area plan or a community reinvestment project area plan that is subject to an interlocal agreement.}~~ means the same as that term is defined in Section 17C-1-102.

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

[(4)] (7) (a) "State-supported minimum school program" or "Minimum School Program" means public school programs for kindergarten, elementary, and secondary schools as described in {the interlocal agreement:

~~\_\_\_\_\_ (10) "Basic levy" means the portion of a}~~ this Subsection [(4)] (7).

(b) The minimum school program established in school ~~{district's tax levy constituting the minimum basic levy under Section 59-2-902:~~

~~\_\_\_\_\_ (11) "Blight" or "blighted" means the condition of an area that meets the requirements described in Subsection 17C-2-303(1) for an urban renewal project area or Section 17C-5-405 for a community reinvestment project area.~~

~~\_\_\_\_\_ (12) "Blight hearing" means a public hearing regarding whether blight exists within a proposed: \_\_\_\_\_ (a) urban renewal project area}~~ districts and charter schools shall include the equivalent of a school term of nine months as determined by the State Board of Education.

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

(ii) Education, enhanced by utilization of technologically enriched delivery systems, when approved by local school boards or charter school governing boards, shall receive full support by the State Board of Education as it pertains to fulfilling the attendance requirements, excluding time spent viewing commercial advertising.

(d) (i) A local school board or charter school governing board may reallocate up to 32 instructional hours or four school days established under Subsection ~~{17C-2-102(1)(a)(i)(C) and Section 17C-2-302; or \_\_\_\_\_ (b) community reinvestment project area under Section 17C-5-405.~~

~~\_\_\_\_\_ (13) "Blight study" means a study to determine whether blight exists within a survey area as described in Section 17C-2-301 for an urban renewal project area or Section 17C-5-403~~



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for a community reinvestment project area.

~~———— (14) "Board" means the governing body of an agency, as described in Section 17C-1-203.~~

~~———— (15) "Budget hearing" means the public hearing on a proposed project area budget required by [(4)] (7)(c) for teacher preparation time or teacher professional development.~~

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

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

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

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

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

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

~~(i) Basic School Program;~~

~~(ii) Related to Basic Programs;~~

~~(iii) Voted and Board Levy Programs; or~~

~~(iv) Minimum School Program.~~

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

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

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

~~(1) As used in this section, "voted and board local levy funding balance" means the~~

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difference between:

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

and

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

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

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

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

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

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

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

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

(b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar of taxable value under Subsection {17C-2-201(2)(d) for an urban renewal project area budget, Subsection 17C-3-201(2)(d) for an economic development project area budget, or Subsection 17C-5-302(2)(c) for a community reinvestment project area budget.

(16) "Closed military base" means land within a former military base that the Defense Base Closure and Realignment Commission has voted to close or realign when that action has

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~~been sustained by the president of the United States and Congress:~~

~~—— (17) "Combined incremental value" means the combined total of all incremental values from all project areas, except project areas that contain some or all of a military installation or inactive industrial site, within the agency's boundaries under project area plans and project area budgets at the time that a project area budget for a new project area is being considered.~~

~~—— (18) "Community" means a county or municipality.~~

~~—— (19) "Community development project area plan" means a project area plan adopted under Chapter 4, Part 1, Community Development Project Area Plan.~~

~~—— (20) "Community legislative body" means the legislative body of the community that created the agency.~~

~~—— (21) "Community reinvestment project area plan" means a project area plan adopted under Chapter 5, Part 1, Community Reinvestment Project Area Plan.~~

~~—— (22) "Contest" means to file a written complaint in the district court of the county in which the agency is located.~~

~~—— (23) "Economic development project area plan" means a project area plan adopted under Chapter 3, Part 1, Economic Development Project Area Plan.~~

~~—— (24) "Fair share ratio" means the ratio derived by: (a) for a municipality, comparing the percentage of all housing units within the municipality that are publicly subsidized income targeted housing units to the percentage of all housing units within the county in which the municipality is located that are publicly subsidized income targeted housing units; or (b) for the unincorporated part of a county, comparing the percentage of all housing units within the unincorporated county that are publicly subsidized income targeted housing units to the percentage of all housing units within the whole county that are publicly subsidized income targeted housing units.~~

~~—— (25) "Family" means the same as that term is defined in regulations of the United States Department of Housing and Urban Development, 24 C.F.R. Section 5.403, as amended or as superseded by replacement regulations.~~

~~—— (26) "Greenfield" means land not developed beyond agricultural, range, or forestry use.~~

~~—— (27) "Hazardous waste" means any substance defined, regulated, or listed as a hazardous substance, hazardous material, hazardous waste, toxic waste, pollutant, contaminant, or toxic substance, or identified as hazardous to human health or the environment, under state~~

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or federal law or regulation:

~~— (28) "Housing allocation" means tax increment allocated for housing under Section 17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section 17C-1-412.~~

~~— (29) "Housing fund" means a fund created by an agency for purposes described in Section 17C-1-411 or 17C-1-412 that is comprised of: — (a) project area funds allocated for the purposes described in Section 17C-1-411; or — (b) an agency's housing allocation.~~

~~— (30) (a) "Inactive airport site" means land that: — (i) consists of at least 100 acres; — (ii) is occupied by an airport: — (A) (I) that is no longer in operation as an airport; or — (II) (Aa) that is scheduled to be decommissioned; and — (Bb) for which a replacement commercial service airport is under construction; and — (B) that is owned or was formerly owned and operated by a public entity; and — (iii) requires remediation because: — (A) of the presence of hazardous waste or solid waste; or — (B) the site lacks sufficient public infrastructure and facilities, including public roads, electric service, water system, and sewer system, needed to support development of the site.~~

~~— (b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the~~

land}; (4)(a) shall apply to the portion of the board local levy authorized in Section 53A-17a-164, so that the guarantee shall apply up to a total of .002 per dollar of taxable value if a school district levies a tax rate under both programs.

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

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

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

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

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

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

(A) use the voted and board local levy funding balance to increase the value of the state guarantee per weighted pupil unit described in Subsection (~~{30}~~(a):

~~—— (31) (a) "Inactive industrial site" means land that: (i) consists of at least 1,000 acres; (ii) is occupied by an inactive or abandoned factory, smelter, or other heavy industrial facility; and (iii) requires remediation because of the presence of hazardous waste or solid waste.~~

~~—— (b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land;~~ 4)(c) in the current fiscal year; and

(B) distribute the state contribution to the voted and board local levy programs to school districts based on the increased value of the state guarantee per weighted pupil unit described in Subsection (~~{31}~~4)(~~a~~)f(i)(A).

~~(~~{32}~~) "Income targeted housing" means housing that is owned or occupied by a family whose annual income is at or below 80% of the median annual income for a family within the county in which the housing is located.~~

~~—— (33) "Incremental value" means a figure derived by multiplying the marginal value of the property located within a project area on which tax increment is collected by a number that represents the adjusted tax increment from that project area that is paid to the agency.~~

~~—— (34) "Loan fund board" means the Olene Walker Housing Loan Fund Board, established under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund.~~

~~—— (35) (a) "Local government building" means a building owned and operated by a community for the primary purpose of providing one or more primary community functions, including: (i) a fire station; (ii) a police station; (iii) a city hall; or (iv) a court or other judicial building.~~

~~—— (b) "Local government building" does not include a building the primary purpose of which is cultural or recreational in nature.~~

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~~—— (36) "Marginal value" means the difference between actual taxable value and base taxable value.~~

~~—— (37) "Military installation project area" means a project area or a portion of a project area located within a federal military installation ordered closed by the federal Defense Base Realignment and Closure Commission.~~

~~—— (38) "Municipality" means a city, town, or metro township; ii) The State Board of Education shall report action taken under this Subsection (4)(f) to the Office of the Legislative Fiscal Analyst and the Governor's Office of Management and Budget.~~

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

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

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

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

(6) Notwithstanding Section 59-2-919, a school district may budget an increased amount of ad valorem property tax revenue derived from a voted local levy imposed under this section in addition to revenue from eligible new growth as defined in Section ~~10-2a-403~~.

~~—— (39) "Participant" means one or more persons that enter into a participation agreement with an agency.~~

~~—— (40) "Participation agreement" means a written agreement between a person and an agency that: (a) includes a description of: (i) the project area development that the person will undertake; (ii) the amount of project area funds the person may receive; and (iii) the terms and conditions under which the person may receive project area funds; and (b) is approved by resolution of the board.~~

~~—— (41) "Plan hearing" means the public hearing on a proposed project area plan required under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan, Subsection~~

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~~17C-3-102(1)(d) for an economic development project area plan, Subsection 17C-4-102(1)(d) for a community development project area plan, or Subsection 17C-5-104(3)(e) for a community reinvestment project area plan.~~

~~—— (42) "Post-June 30, 1993, project area plan" means a project area plan adopted on or after July 1, 1993, and before May 10, 2016, whether or not amended subsequent to the project area plan's adoption.~~

~~—— (43) "Pre-July 1, 1993, project area plan" means a project area plan adopted before July 1, 1993, whether or not amended subsequent to the project area plan's adoption.~~

~~—— (44) "Private," with respect to real property, means: —— (a) not owned by a public entity or any other governmental entity; and (b) not dedicated to public use.~~

~~—— (45) "Project area" means the geographic area described in a project area plan within which the project area development described in the project area plan takes place or is proposed to take place.~~

~~—— (46) "Project area budget" means a multiyear projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to a project area prepared; 59-2-924, without having to comply with the notice requirements of Section 59-2-919, if:~~

~~(a) the voted local levy is approved:~~

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

~~(ii) within the four-year period immediately preceding the year in which the school~~

~~district seeks to budget an increased amount of ad valorem property tax revenue derived from the voted local levy; and~~

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

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

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

~~(b) the voted local levy was approved:~~

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

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

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

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

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

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

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

(i) at a regular general election conducted in accordance with ~~{: (a) for an urban renewal project area, Section 17C-2-202; (b) for an economic development project area, Section 17C-3-202; (c) for a community development project area, Section 17C-4-204; or (d) for a community reinvestment project area, Section 17C-5-302.~~

~~(47) "Project area development" means activity within a project area that, as determined by the board, encourages, promotes, or provides development or redevelopment for the purpose of implementing a project area plan, including: (a) promoting, creating, or retaining public or private jobs within the state or a community; (b) providing office, manufacturing, warehousing, distribution, parking, or other facilities or improvements; (c) planning, designing, demolishing, clearing, constructing, rehabilitating, or remediating environmental issues; (d) providing residential, commercial, industrial, public, or other structures or spaces, including recreational and other facilities incidental or appurtenant to the structures or spaces; (e) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating existing structures; (f) providing open space, including streets or other public grounds or space around buildings; (g) providing public or private buildings, infrastructure, structures, or improvements; (h) relocating a business; (i) improving public or private~~



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~~recreation areas or other public grounds; (j) eliminating blight or the causes of blight; (k) redevelopment as defined under the law in effect before May 1, 2006; or (l) any activity}~~ the procedures and requirements of Title 20A, Election Code, governing regular elections;

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

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

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

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

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

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

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

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

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

(c) The State Tax Commission shall certify on or before June 22 the rate that generates \$392,266,800 in revenues statewide.

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

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

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the difference between:

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

(ii) the basic levy increment rate.

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

(c) When determining the state's contribution described in ~~Subsections (47)(a) through (k)~~ outside of a project area that the board determines to be a benefit to the project area:

~~—— (48) "Project area funds" means tax increment or sales and use tax revenue that an agency receives under a project area budget adopted by a taxing entity committee or an interlocal agreement.~~

~~—— (49) "Project area funds collection period" means the period of time that: (a) begins the day on which the first payment of project area funds is distributed to an agency under a project area budget adopted by a taxing entity committee or an interlocal agreement; and (b) ends the day on which the last payment of project area funds is distributed to an agency under a project area budget adopted by a taxing entity committee or an interlocal agreement.~~

~~—— (50) "Project area plan" means an urban renewal project area plan, an economic development project area plan, a community development project area plan, or a community reinvestment project area plan that, after the project area plan's effective date, guides and controls the project area development.~~

~~—— (51) (a) "Property tax" means each levy on an ad valorem basis on tangible or intangible personal or real property.~~

~~—— (b) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4, Privilege Tax.~~

~~—— (52) "Public entity" means: (a) the United States, including an agency of the United States; (b) the state, including any of the state's departments or agencies; or (c) a political subdivision of the state, including a county, municipality.~~ Subsection (3)(a), the state shall include any pledged tax increment generated from the minimum basic rate.

(4) (a) If the difference described in Subsection (3)(a) equals or exceeds the cost of the

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basic program in a school district, ~~{local district, special service district, or interlocal cooperation entity:~~

~~—— (53) "Publicly owned infrastructure and improvements" means water, sewer, storm drainage, electrical, natural gas, telecommunication, or other similar systems and lines, streets, roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation facilities, or other facilities, infrastructure, and improvements benefitting the public and to be publicly owned or publicly maintained or operated.~~

~~—— (54) "Record property owner" or "record owner of property" means the owner of real property, as shown on the records of the county in which the property is located, to whom the property's tax notice is sent.~~

~~—— (55) "Sales and use tax revenue" means revenue that is: —— (a) generated from a tax imposed under Title 59, Chapter 12, Sales and Use Tax Act; and —— (b) distributed to a taxing entity in accordance with Sections 59-12-204 and 59-12-205.~~

~~—— (56) "Superfund site": —— (a) means an area included in the National Priorities List under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sec. 9605; and —— (b) includes an area formerly included in the National Priorities List, as~~ no state contribution shall be made to the basic program.

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

(5) The State Board of Education shall:

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

(b) deposit the money described in Subsection (~~{56}~~5)(a)~~}, but removed from the list following remediation that leaves on site the waste that caused the area to be included in the National Priorities List.~~

~~—— (57) "Survey area" means a geographic area designated for study by a survey area resolution to determine whether one or more project areas within the survey area are feasible.~~

~~—— (58) "Survey area resolution" means a resolution adopted by a board under Subsection 17C-2-101.5(1) or 17C-5-103(1) designating a survey area.~~

~~—— (59) "Taxable value" means: —— (a) the taxable value of all real property a county~~

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~~assessor assesses in accordance with Title 59, Chapter 2, Part 3, County Assessment, for the current year; (b) the taxable value of all real and personal property the commission assesses in accordance with Title 59, Chapter 2, Part 2, Assessment of Property, for the current year; and (c) the year end taxable value of all personal property a county assessor assesses in accordance with Title 59, Chapter 2, Part 3, County Assessment, contained on the prior year's tax rolls of the taxing entity.~~

~~———— (60) (a) "Tax increment" means the difference between: (i) the amount of property tax revenue generated each tax year by a taxing entity from the area within a project area designated in the project area plan as the area from which tax increment is to be collected, using the current assessed value of the property; and (ii) the amount of property tax revenue that would be generated from that same area using the base taxable value of the property.~~

~~———— (b) "Tax increment" does not include revenue generated from taxes levied and collected upon the taxable property in a project area: (i) under Section 59-2-1602 on or after January 1, 1994, [upon the taxable property in the project area] unless: [(i)] (A) the project area plan [was] is adopted before May 4, 1993, regardless of whether [or not] the project area plan [was] is subsequently amended; and [(ii)] (B) the taxes [were] are pledged to support bond indebtedness or the agency's other contractual obligations[ of the agency.]; or (ii) under Sections 53A-17a-133, 53A-17a-164, and 59-2-902; into the Minimum Basic Growth Account created in Section 53A-17a-135.1.~~

Section 6. Section 53A-17a-164 is amended to read:

53A-17a-164. Board local levy -- State guarantee.

(1) Subject to the other requirements of this section, for a calendar year beginning on or after January 1, ~~{2018, unless: (A) the project area plan is adopted before May 9, 2017, regardless of whether the project area plan is subsequently amended; and (B) before May 9, 2017, the taxes are pledged to support bond indebtedness or the agency's other contractual obligations.~~ (61) "Taxing entity" means a public entity that: (a) levies a tax on property located within a project area; or (b) imposes a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act.

~~———— (62) "Taxing entity committee" means a committee representing the interests of taxing entities, created in accordance with Section 17C-1-402.~~

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~~— (63) "Unincorporated" means not within a municipality.~~

~~— (64) "Urban renewal project area plan" means a project area plan adopted under Chapter 2, Part 1, Urban Renewal Project Area Plan.~~

~~—~~  
~~Legislative Review Note Office of Legislative Research and General Counsel; 2012, a local school board may levy a tax to fund the school district's general fund.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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section.

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

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

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

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

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

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

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

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

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

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

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

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

(1) As used in this section:

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

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

(A) local government entities;

(B) private organizations, including not-for-profit organizations; or

(C) persons in the form of a loan or grant.

(ii) "Pass through funding" may be:

(A) general funds, dedicated credits, or any combination of state funding sources; and

(B) ongoing or one-time.

(c) "Recipient entity" means a local government entity or private entity, including a nonprofit entity, that receives money by way of pass through funding from a state agency.

(d) "State agency" means a department, commission, board, council, agency, institution, officer, corporation, fund, division, office, committee, authority, laboratory, library, unit, bureau, panel, or other administrative unit of the executive branch of the state.

(e) (i) "State money" means money that is owned, held, or administered by a state agency and derived from state fees or tax revenues.

(ii) "State money" does not include contributions or donations received by a state agency.

(2) A state agency may not provide a recipient entity state money through pass through funding unless:

(a) the state agency enters into a written agreement with the recipient entity; and

(b) the written agreement described in Subsection (2)(a) requires the recipient entity to provide the state agency:

(i) a written description and an itemized report at least annually detailing the expenditure of the state money, or the intended expenditure of any state money that has not

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been spent; and

(ii) a final written itemized report when all the state money is spent.

(3) A state agency shall provide to the Governor's Office of Management and Budget a copy of a written description or itemized report received by the state agency under Subsection (2).

(4) Notwithstanding Subsection (2), a state agency is not required to comply with this section to the extent that the pass through funding is issued:

(a) under a competitive award process;

(b) in accordance with a formula enacted in statute;

(c) in accordance with a state program under parameters in statute or rule that guides the distribution of the pass through funding; or

(d) under the authority of the minimum school program, as defined in Subsection 53A-17a-103[(4)](7)(c).