

1 LOCAL EDUCATION LEVY STATE GUARANTEE

2 AMENDMENTS

3 2020 GENERAL SESSION

4 STATE OF UTAH

5 Chief Sponsor: Lincoln Fillmore

6 House Sponsor: Bradley G. Last

7

8 LONG TITLE

9 General Description:

10 This bill increases the number of increments the state guarantees for certain local
11 education levies.

12 Highlighted Provisions:

13 This bill:

- 14 ▶ increases the number of increments the state guarantees for certain local education
- 15 levies;
- 16 ▶ provides for an increase in the guaranteed amount per guaranteed local levy
- 17 increment in certain circumstances; and
- 18 ▶ makes technical and conforming changes.

19 Money Appropriated in this Bill:

20 None

21 Other Special Clauses:

22 None

23 Utah Code Sections Affected:

24 AMENDS:

25 53F-2-601, as last amended by Laws of Utah 2019, Chapter 186

26

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



28 Section 1. Section 53F-2-601 is amended to read:

29 **53F-2-601. State guaranteed local levy increments -- Appropriation to increase**
30 **number of guaranteed local levy increments -- No effect of change of minimum basic tax**
31 **rate -- Voted and board local levy funding balance -- Use of guaranteed local levy**
32 **increment funds.**

33 (1) As used in this section:

34 (a) "Board local levy" means a local levy described in Section 53F-8-302.

35 (b) "Guaranteed local levy increment" means a local levy increment guaranteed by the
36 state:

37 (i) for the board local levy, described in:

38 (A) [Subsections] Subsection (2)(a)(ii)(A) [~~and (2)(b)(ii)(B); or~~];

39 (B) for a fiscal year beginning on July 1, 2020, 2021, or 2022, Subsections (2)(b)(ii)(B)
40 through (D); and

41 (C) for a fiscal year beginning on or after July 1, 2023, Subsection (2)(c)(ii); or

42 (ii) for the voted local levy, described in:

43 (A) [Subsections] Subsection (2)(a)(ii)(B) [~~and (2)(b)(ii)(A);~~];

44 (B) for a fiscal year beginning on July 1, 2020, 2021, or 2022, Subsection (2)(b)(ii)(A);

45 and

46 (C) for a fiscal year beginning on or after July 1, 2023, Subsection (2)(c)(i).

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

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

49 (A) the amount appropriated for the guaranteed local levy increments in a fiscal year;

50 and

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

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

55 (e) "Voted local levy" means a local levy described in Section 53F-8-301.

56 (2) (a) (i) In addition to the revenue collected from the imposition of a voted local levy
57 or a board local levy, the state shall guarantee that a school district receives, subject to

58 Subsections [~~(2)(b)(ii)(C)~~] (2)(b)(ii)(E) and (3)(a), for each guaranteed local levy increment, an

59 amount sufficient to guarantee for a fiscal year that begins on July 1, 2018, \$43.10 per
60 weighted pupil unit.

61 (ii) Except as provided in [~~Subsection~~] Subsections (2)(b)(ii) and (2)(c), the number of
62 local levy increments that are subject to the guarantee amount described in Subsection (2)(a)(i)
63 are:

64 (A) for a board local levy, the first four local levy increments a local school board
65 imposes under the board local levy; and

66 (B) for a voted local levy, the first 16 local levy increments a local school board
67 imposes under the voted local levy.

68 (b) (i) Subject to future budget constraints and Subsection [~~(2)(c)~~] (2)(d), the
69 Legislature shall annually appropriate money from the Local Levy Growth Account established
70 in Section 53F-9-305 for purposes described in Subsection (2)(b)(ii).

71 (ii) The state board shall, for a fiscal year beginning on or after July 1, 2018, and
72 subject to Subsection [~~(2)(c)~~] (2)(d), allocate funds appropriated under Subsection (2)(b)(i) in
73 the following order of priority by increasing:

74 (A) by up to four increments the number of voted local levy guaranteed local levy
75 increments above 16;

76 (B) for a fiscal year beginning on July 1, 2020, by up to [16] 17 increments the number
77 of board local levy guaranteed local levy increments above four; [and]

78 (C) for a fiscal year beginning on July 1, 2021, by up to 18 increments the number of
79 board local levy guaranteed local levy increments above four;

80 (D) for a fiscal year beginning on July 1, 2022, by up to 19 increments the number of
81 board local levy guaranteed local levy increments above four; and

82 [~~(E)~~] (E) the guaranteed amount described in Subsection (2)(a)(i).

83 (c) For a fiscal year beginning on or after July 1, 2023, subject to future budget
84 constraints and Subsection (2)(d), the Legislature shall appropriate money to increase, in the
85 following order of priority:

86 (i) by up to four increments the number of voted local levy guaranteed local levy
87 increments above 16;

88 (ii) by up to 21 increments the number of board local levy guaranteed local levy
89 increments above four; and

90 (iii) the guaranteed amount described in Subsection (2)(a)(i).

91 ~~[(e)]~~ (d) The number of guaranteed local levy increments under this Subsection (2) for
92 a school district may not exceed ~~[20]~~ the following number of guaranteed local levy
93 increments, regardless of whether the guaranteed local levy increments are from the imposition
94 of a voted local levy, a board local levy, or a combination of the two~~[-]~~:

95 (i) for a fiscal year beginning on July 1, 2020, 21;

96 (ii) for a fiscal year beginning on July 1, 2021, 22;

97 (iii) for a fiscal year beginning on July 1, 2022, 23;

98 (iv) for a fiscal year beginning on July 1, 2023, 24;

99 (v) for a fiscal year beginning on July 1, 2024, 25;

100 (vi) for a fiscal year beginning on July 1, 2025, 30;

101 (vii) for a fiscal year beginning on July 1, 2026, 35;

102 (viii) for a fiscal year beginning on July 1, 2027, 40; and

103 (ix) for a fiscal year beginning on July 1, 2028, 45.

104 (e) (i) As used in this subsection, "cost for the guarantee" means the total cost for the
105 guarantee described in this section, excluding the cost of the adjustments described in
106 Subsections (2)(b)(ii) and (2)(c).

107 (ii) In addition to an appropriation for the adjustment described in Subsections
108 (2)(b)(ii) and (2)(c), the Legislature shall annually appropriate an amount that is the greater of:

109 (A) the cost for the guarantee for the upcoming fiscal year; or

110 (B) the amount appropriated for the cost for the guarantee for the current fiscal year.

111 (iii) From an appropriation described in Subsection (2)(e)(ii)(B), the state board shall
112 allocate an amount equal to the difference between the amounts described in Subsections
113 (2)(e)(ii)(A) and (B) to increase the guarantee amount for each guaranteed local levy increment.

114 (3) (a) The guarantee described in Subsection (2)(a)(i) is indexed each year to the value
115 of the weighted pupil unit by making the value of the guarantee equal to .011962 times the
116 value of the prior year's weighted pupil unit.

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

120 (4) (a) The amount of state guarantee money that a school district would otherwise be

121 entitled to receive under this section may not be reduced for the sole reason that the school
122 district's board local levy or voted local levy is reduced as a consequence of changes in the
123 certified tax rate under Section 59-2-924 pursuant to changes in property valuation.

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

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

130 (6) (a) If a voted and board local levy funding balance exists for the prior fiscal year,
131 the state board shall:

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

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

136 (b) The state board shall report action taken under Subsection (6)(a) to the Office of the
137 Legislative Fiscal Analyst and the Governor's Office of Management and Budget.

138 (7) A local school board of a school district that receives funds described in this section
139 shall budget and expend the funds for public education purposes.