

Representative Mike Winder proposes the following substitute bill:

STUDENT RESOURCES FUNDING

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Mike Winder

Senate Sponsor: _____

LONG TITLE

General Description:

This bill enacts the student resources levy.

Highlighted Provisions:

This bill:

- ▶ authorizes a local school board to levy a tax to fund:
 - school resource officers; and
 - personnel that assist with mental health supports for students;
- ▶ includes the levy in the calculation of the charter school levy state guarantee; and
- ▶ makes conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

53F-2-704, as last amended by Laws of Utah 2019, Chapters 136 and 186

59-2-924, as last amended by Laws of Utah 2021, Chapters 214 and 388

ENACTS:



26 [53F-8-304](#), Utah Code Annotated 1953

27

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

29 Section 1. Section **53F-2-704** is amended to read:

30 **53F-2-704. Charter school levy state guarantee.**

31 (1) As used in this section:

32 (a) "Charter school levy per pupil revenues" means the same as that term is defined in
33 Section [53F-2-703](#).

34 (b) "Charter school students' average local revenues" means the amount determined as
35 follows:

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

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

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

42 (c) "District local property tax revenues" means the sum of a school district's revenue
43 received from the following:

44 (i) a voted local levy imposed under Section [53F-8-301](#);

45 (ii) a board local levy imposed under Section [53F-8-302](#), excluding revenues expended
46 for:

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

49 (B) the Early Literacy Program described in Section [53F-2-503](#), up to the amount of
50 revenue generated by a .000121 per dollar of taxable value of the school district's board local
51 levy;

52 (iii) a capital local levy imposed under Section [53F-8-303](#); [~~and~~]

53 (iv) a guarantee described in Section [53F-2-601](#), [53F-3-202](#), or [53F-3-203](#)[~~-~~]; and

54 (v) a levy imposed under Section [53F-8-304](#).

55 (d) "District per pupil local revenues" means, using data from the most recently
56 published school district annual financial reports and state superintendent's annual report, an

57 amount equal to district local property tax revenues divided by the sum of:

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

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

61 (e) "Resident student" means a student who is considered a resident of the school
62 district under Title 53G, Chapter 6, Part 3, School District Residency.

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

65 (i) sum the revenues of each school district from the debt service levy imposed under
66 Section 11-14-310; and

67 (ii) divide the sum calculated under Subsection (1)(f)(i) by statewide school district
68 average daily membership.

69 (2) (a) Subject to future budget constraints, the Legislature shall provide an
70 appropriation for charter schools for each charter school student enrolled on October 1 to
71 supplement the allocation of charter school levy per pupil revenues described in Subsection
72 53F-2-702(2)(a).

73 (b) Except as provided in Subsection (2)(c), the amount of money provided by the state
74 for a charter school student shall be the sum of:

75 (i) charter school students' average local revenues minus the charter school levy per
76 pupil revenues; and

77 (ii) statewide average debt service revenues.

78 (c) If the total of charter school levy per pupil revenues distributed by the state board
79 and the amount provided by the state under Subsection (2)(b) is less than \$1,427, the state shall
80 provide an additional supplement so that a charter school receives at least \$1,427 per student
81 under Subsection 53F-2-702(2).

82 (d) (i) If the legislative appropriation described in Subsection (2)(a) is insufficient to
83 provide an amount described in Subsection (2)(b) for each charter school student, the state
84 board shall make an adjustment to Minimum School Program allocations as described in
85 Section 53F-2-205.

86 (ii) Following an adjustment described in Subsection (2)(d)(i), if legislative
87 appropriations remain insufficient to provide an amount described in Subsection (2)(b) for each

88 student enrolled in a charter school, the state board shall:

89 (A) distribute to a charter school an amount described in Subsection (2)(b) for each
90 student enrolled in the charter school under or equal to the maximum number of students the
91 charter school serves, as described in the charter school's charter school agreement described in
92 Section 53G-5-303; and

93 (B) distribute money remaining after the distributions described in Subsection
94 (2)(d)(ii)(A) to a charter school based on the charter school's share of all students enrolled in
95 charter schools who exceed the number of maximum students served by charter schools, as
96 described in charter school agreements entered into under Section 53G-5-303.

97 (3) (a) Except as provided in Subsection (3)(b), of the money provided to a charter
98 school under Subsection 53F-2-702(2), 10% shall be expended for funding school facilities
99 only.

100 (b) Subsection (3)(a) does not apply to an online charter school.

101 Section 2. Section 53F-8-304 is enacted to read:

102 **53F-8-304. Student resources levy.**

103 (1) As used in this section, "school resource officer" means a law enforcement officer,
104 as defined in Section 53-13-103, who contracts with, is employed by, or whose law
105 enforcement agency contracts with a local education agency to provide law enforcement
106 services for the local education agency.

107 (2) A local school board may levy a tax to fund the district's:

108 (a) school resource officers; and

109 (b) personnel that assist with mental health supports for students

110 (3) A tax rate imposed by a school district pursuant to this section may not exceed
111 .00015 per dollar of taxable value in any calendar year.

112 Section 3. Section 59-2-924 is amended to read:

113 **59-2-924. Definitions -- Report of valuation of property to county auditor and**
114 **commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax**
115 **rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the**
116 **commission.**

117 (1) As used in this section:

118 (a) (i) "Ad valorem property tax revenue" means revenue collected in accordance with

119 this chapter.

120 (ii) "Ad valorem property tax revenue" does not include:

121 (A) interest;

122 (B) penalties;

123 (C) collections from redemptions; or

124 (D) revenue received by a taxing entity from personal property that is semiconductor
125 manufacturing equipment assessed by a county assessor in accordance with Part 3, County
126 Assessment.

127 (b) "Adjusted tax increment" means the same as that term is defined in Section
128 [17C-1-102](#).

129 (c) (i) "Aggregate taxable value of all property taxed" means:

130 (A) the aggregate taxable value of all real property a county assessor assesses in
131 accordance with Part 3, County Assessment, for the current year;

132 (B) the aggregate taxable value of all real and personal property the commission
133 assesses in accordance with Part 2, Assessment of Property, for the current year; and

134 (C) the aggregate year end taxable value of all personal property a county assessor
135 assesses in accordance with Part 3, County Assessment, contained on the prior year's tax rolls
136 of the taxing entity.

137 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate year
138 end taxable value of personal property that is:

139 (A) semiconductor manufacturing equipment assessed by a county assessor in
140 accordance with Part 3, County Assessment; and

141 (B) contained on the prior year's tax rolls of the taxing entity.

142 (d) "Base taxable value" means:

143 (i) for an authority created under Section [11-58-201](#), the same as that term is defined in
144 Section [11-58-102](#);

145 (ii) for an agency created under Section [17C-1-201.5](#), the same as that term is defined
146 in Section [17C-1-102](#);

147 (iii) for an authority created under Section [63H-1-201](#), the same as that term is defined
148 in Section [63H-1-102](#); or

149 (iv) for a host local government, the same as that term is defined in Section [63N-2-502](#).

150 (e) "Centrally assessed benchmark value" means an amount equal to the highest year
151 end taxable value of real and personal property the commission assesses in accordance with
152 Part 2, Assessment of Property, for a previous calendar year that begins on or after January 1,
153 2015, adjusted for taxable value attributable to:

154 (i) an annexation to a taxing entity; or

155 (ii) an incorrect allocation of taxable value of real or personal property the commission
156 assesses in accordance with Part 2, Assessment of Property.

157 (f) (i) "Centrally assessed new growth" means the greater of:

158 (A) zero; or

159 (B) the amount calculated by subtracting the centrally assessed benchmark value
160 adjusted for prior year end incremental value from the taxable value of real and personal
161 property the commission assesses in accordance with Part 2, Assessment of Property, for the
162 current year, adjusted for current year incremental value.

163 (ii) "Centrally assessed new growth" does not include a change in value as a result of a
164 change in the method of apportioning the value prescribed by the Legislature, a court, or the
165 commission in an administrative rule or administrative order.

166 (g) "Certified tax rate" means a tax rate that will provide the same ad valorem property
167 tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.

168 (h) "Community reinvestment agency" means the same as that term is defined in
169 Section [17C-1-102](#).

170 (i) "Eligible new growth" means the greater of:

171 (i) zero; or

172 (ii) the sum of:

173 (A) locally assessed new growth;

174 (B) centrally assessed new growth; and

175 (C) project area new growth or hotel property new growth.

176 (j) "Host local government" means the same as that term is defined in Section
177 [63N-2-502](#).

178 (k) "Hotel property" means the same as that term is defined in Section [63N-2-502](#).

179 (l) "Hotel property new growth" means an amount equal to the incremental value that
180 is no longer provided to a host local government as incremental property tax revenue.

181 (m) "Incremental property tax revenue" means the same as that term is defined in
182 Section 63N-2-502.

183 (n) "Incremental value" means:

184 (i) for an authority created under Section 11-58-201, the amount calculated by
185 multiplying:

186 (A) the difference between the taxable value and the base taxable value of the property
187 that is located within a project area and on which property tax differential is collected; and

188 (B) the number that represents the percentage of the property tax differential that is
189 paid to the authority;

190 (ii) for an agency created under Section 17C-1-201.5, the amount calculated by
191 multiplying:

192 (A) the difference between the taxable value and the base taxable value of the property
193 located within a project area and on which tax increment is collected; and

194 (B) the number that represents the adjusted tax increment from that project area that is
195 paid to the agency;

196 (iii) for an authority created under Section 63H-1-201, the amount calculated by
197 multiplying:

198 (A) the difference between the taxable value and the base taxable value of the property
199 located within a project area and on which property tax allocation is collected; and

200 (B) the number that represents the percentage of the property tax allocation from that
201 project area that is paid to the authority; or

202 (iv) for a host local government, an amount calculated by multiplying:

203 (A) the difference between the taxable value and the base taxable value of the hotel
204 property on which incremental property tax revenue is collected; and

205 (B) the number that represents the percentage of the incremental property tax revenue
206 from that hotel property that is paid to the host local government.

207 (o) (i) "Locally assessed new growth" means the greater of:

208 (A) zero; or

209 (B) the amount calculated by subtracting the year end taxable value of real property the
210 county assessor assesses in accordance with Part 3, County Assessment, for the previous year,
211 adjusted for prior year end incremental value from the taxable value of real property the county

212 assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted
213 for current year incremental value.

214 (ii) "Locally assessed new growth" does not include a change in:

215 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal, or
216 another adjustment;

217 (B) assessed value based on whether a property is allowed a residential exemption for a
218 primary residence under Section 59-2-103;

219 (C) assessed value based on whether a property is assessed under Part 5, Farmland
220 Assessment Act; or

221 (D) assessed value based on whether a property is assessed under Part 17, Urban
222 Farming Assessment Act.

223 (p) "Project area" means:

224 (i) for an authority created under Section 11-58-201, the same as that term is defined in
225 Section 11-58-102;

226 (ii) for an agency created under Section 17C-1-201.5, the same as that term is defined
227 in Section 17C-1-102; or

228 (iii) for an authority created under Section 63H-1-201, the same as that term is defined
229 in Section 63H-1-102.

230 (q) "Project area new growth" means:

231 (i) for an authority created under Section 11-58-201, an amount equal to the
232 incremental value that is no longer provided to an authority as property tax differential;

233 (ii) for an agency created under Section 17C-1-201.5, an amount equal to the
234 incremental value that is no longer provided to an agency as tax increment; or

235 (iii) for an authority created under Section 63H-1-201, an amount equal to the
236 incremental value that is no longer provided to an authority as property tax allocation.

237 (r) "Project area incremental revenue" means the same as that term is defined in
238 Section 17C-1-1001.

239 (s) "Property tax allocation" means the same as that term is defined in Section
240 63H-1-102.

241 (t) "Property tax differential" means the same as that term is defined in Section
242 11-58-102.

- 243 (u) "Qualifying exempt revenue" means revenue received:
244 (i) for the previous calendar year;
245 (ii) by a taxing entity;
246 (iii) from tangible personal property contained on the prior year's tax rolls that is
247 exempt from property tax under Subsection 59-2-1115(2)(b) for a calendar year beginning on
248 January 1, 2022; and
249 (iv) on the aggregate 2021 year end taxable value of the tangible personal property that
250 exceeds \$15,300.
251 (v) "Tax increment" means the same as that term is defined in Section 17C-1-102.
252 (2) Before June 1 of each year, the county assessor of each county shall deliver to the
253 county auditor and the commission the following statements:
254 (a) a statement containing the aggregate valuation of all taxable real property a county
255 assessor assesses in accordance with Part 3, County Assessment, for each taxing entity; and
256 (b) a statement containing the taxable value of all personal property a county assessor
257 assesses in accordance with Part 3, County Assessment, from the prior year end values.
258 (3) The county auditor shall, on or before June 8, transmit to the governing body of
259 each taxing entity:
260 (a) the statements described in Subsections (2)(a) and (b);
261 (b) an estimate of the revenue from personal property;
262 (c) the certified tax rate; and
263 (d) all forms necessary to submit a tax levy request.
264 (4) (a) Except as otherwise provided in this section, the certified tax rate shall be
265 calculated by dividing the ad valorem property tax revenue that a taxing entity budgeted for the
266 prior year minus the qualifying exempt revenue by the amount calculated under Subsection
267 (4)(b).
268 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall
269 calculate an amount as follows:
270 (i) calculate for the taxing entity the difference between:
271 (A) the aggregate taxable value of all property taxed; and
272 (B) any adjustments for current year incremental value;
273 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount

274 determined by increasing or decreasing the amount calculated under Subsection (4)(b)(i) by the
275 average of the percentage net change in the value of taxable property for the equalization
276 period for the three calendar years immediately preceding the current calendar year;

277 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the product
278 of:

279 (A) the amount calculated under Subsection (4)(b)(ii); and
280 (B) the percentage of property taxes collected for the five calendar years immediately
281 preceding the current calendar year; and

282 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an amount
283 determined by:

284 (A) multiplying the percentage of property taxes collected for the five calendar years
285 immediately preceding the current calendar year by eligible new growth; and
286 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the amount
287 calculated under Subsection (4)(b)(iii).

288 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be
289 calculated as follows:

290 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified
291 tax rate is zero;

292 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:

293 (i) in a county of the first, second, or third class, the levy imposed for municipal-type
294 services under Sections 17-34-1 and 17-36-9; and

295 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
296 purposes and such other levies imposed solely for the municipal-type services identified in
297 Section 17-34-1 and Subsection 17-36-3(23);

298 (c) for a community reinvestment agency that received all or a portion of a taxing
299 entity's project area incremental revenue in the prior year under Title 17C, Chapter 1, Part 10,
300 Agency Taxing Authority, the certified tax rate is calculated as described in Subsection (4)
301 except that the commission shall treat the total revenue transferred to the community
302 reinvestment agency as ad valorem property tax revenue that the taxing entity budgeted for the
303 prior year; and

304 (d) for debt service voted on by the public, the certified tax rate is the actual levy

305 imposed by that section, except that a certified tax rate for the following levies shall be
306 calculated in accordance with Section 59-2-913 and this section:

307 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, [or] 53F-8-303, or
308 53F-8-304; and

309 (ii) a levy to pay for the costs of state legislative mandates or judicial or administrative
310 orders under Section 59-2-1602.

311 (6) (a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 may be
312 imposed at a rate that is sufficient to generate only the revenue required to satisfy one or more
313 eligible judgments.

314 (b) The ad valorem property tax revenue generated by a judgment levy described in
315 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate certified tax
316 rate.

317 (7) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

318 (i) the taxable value of real property:

319 (A) the county assessor assesses in accordance with Part 3, County Assessment; and
320 (B) contained on the assessment roll;

321 (ii) the year end taxable value of personal property:

322 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
323 (B) contained on the prior year's assessment roll; and

324 (iii) the taxable value of real and personal property the commission assesses in
325 accordance with Part 2, Assessment of Property.

326 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new
327 growth.

328 (8) (a) On or before June 30, a taxing entity shall annually adopt a tentative budget.

329 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall
330 notify the county auditor of:

331 (i) the taxing entity's intent to exceed the certified tax rate; and

332 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.

333 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
334 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

335 (9) (a) Subject to Subsection (9)(d), the commission shall provide notice, through

336 electronic means on or before July 31, to a taxing entity and the Revenue and Taxation Interim
337 Committee if:

338 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
339 taxable value of the real and personal property the commission assesses in accordance with
340 Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental
341 value; and

342 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year end
343 taxable value of the real and personal property of a taxpayer the commission assesses in
344 accordance with Part 2, Assessment of Property, for the previous year.

345 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by
346 subtracting the taxable value of real and personal property the commission assesses in
347 accordance with Part 2, Assessment of Property, for the current year, adjusted for current year
348 incremental value, from the year end taxable value of the real and personal property the
349 commission assesses in accordance with Part 2, Assessment of Property, for the previous year,
350 adjusted for prior year end incremental value.

351 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
352 subtracting the total taxable value of real and personal property of a taxpayer the commission
353 assesses in accordance with Part 2, Assessment of Property, for the current year, from the total
354 year end taxable value of the real and personal property of a taxpayer the commission assesses
355 in accordance with Part 2, Assessment of Property, for the previous year.

356 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet
357 the requirement under Subsection (9)(a)(ii).

358 **Section 4. Retrospective operation.**

359 This bill has retrospective operation to January 1, 2022.