

MINIMUM BASIC TAX RATE REDUCTION

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Bradley G. Last

Senate Sponsor: Lincoln Fillmore

LONG TITLE

General Description:

This bill amends provisions related to the basic tax rate to fund public education.

Highlighted Provisions:

This bill:

- ▶ amends the years in which a freeze is in effect on the minimum basic tax rate;
- ▶ repeals the weighted pupil unit (WPU) value rate;
- ▶ repeals a study and reporting requirement related to the WPU value rate; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

11-13-302, as last amended by Laws of Utah 2018, Chapters 415 and 456

11-13-310, as last amended by Laws of Utah 2018, Chapters 415 and 456

53E-1-202, as last amended by Laws of Utah 2021, Chapters 251 and 319

53F-2-205, as last amended by Laws of Utah 2021, Chapter 382

53F-2-301, as last amended by Laws of Utah 2021, Chapter 319

53F-2-515, as last amended by Laws of Utah 2018, Chapter 456 and renumbered and



28 amended by Laws of Utah 2018, Chapter 2
 29 **53F-9-302**, as last amended by Laws of Utah 2019, Chapter 186
 30 **53F-9-305**, as last amended by Laws of Utah 2019, Chapter 186
 31 **53F-9-306**, as last amended by Laws of Utah 2019, Chapter 186
 32 **53G-3-304**, as last amended by Laws of Utah 2018, Chapters 281, 456 and renumbered
 33 and amended by Laws of Utah 2018, Chapter 3
 34 **59-2-919.1**, as last amended by Laws of Utah 2020, Chapter 78
 35 **59-2-926**, as last amended by Laws of Utah 2018, Chapters 415 and 456
 36 **63I-2-211**, as last amended by Laws of Utah 2018, Chapters 337 and 456
 37 **63I-2-253**, as last amended by Laws of Utah 2021, First Special Session, Chapter 14
 38 **63I-2-259**, as last amended by Laws of Utah 2021, Chapter 370

39 REPEALS:

40 **53F-2-301.5**, as last amended by Laws of Utah 2021, Chapter 6

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

43 Section 1. Section **11-13-302** is amended to read:

44 **11-13-302. Payment of fee in lieu of ad valorem property tax by certain energy**
 45 **suppliers -- Method of calculating -- Collection -- Extent of tax lien.**

46 (1) (a) Each project entity created under this chapter that owns a project and that sells
 47 any capacity, service, or other benefit from it to an energy supplier or suppliers whose tangible
 48 property is not exempted by Utah Constitution Article XIII, Section 3, from the payment of ad
 49 valorem property tax, shall pay an annual fee in lieu of ad valorem property tax as provided in
 50 this section to each taxing jurisdiction within which the project or any part of it is located.

51 (b) For purposes of this section, "annual fee" means the annual fee described in
 52 Subsection (1)(a) that is in lieu of ad valorem property tax.

53 (c) The requirement to pay an annual fee shall commence:

54 (i) with respect to each taxing jurisdiction that is a candidate receiving the benefit of
 55 impact alleviation payments under contracts or determination orders provided for in Sections
 56 **11-13-305** and **11-13-306**, with the fiscal year of the candidate following the fiscal year of the
 57 candidate in which the date of commercial operation of the last generating unit, other than any
 58 generating unit providing additional project capacity, of the project occurs, or, in the case of

59 any facilities providing additional project capacity, with the fiscal year of the candidate
60 following the fiscal year of the candidate in which the date of commercial operation of the
61 generating unit providing the additional project capacity occurs; and

62 (ii) with respect to any taxing jurisdiction other than a taxing jurisdiction described in
63 Subsection (1)(c)(i), with the fiscal year of the taxing jurisdiction in which construction of the
64 project commences, or, in the case of facilities providing additional project capacity, with the
65 fiscal year of the taxing jurisdiction in which construction of those facilities commences.

66 (d) The requirement to pay an annual fee shall continue for the period of the useful life
67 of the project or facilities.

68 (2) (a) The annual fees due a school district shall be as provided in Subsection (2)(b)
69 because the ad valorem property tax imposed by a school district and authorized by the
70 Legislature represents both:

71 (i) a levy mandated by the state for the state minimum school program under Section
72 [53F-2-301](#) [~~or [53F-2-301.5](#), as applicable~~]; and

73 (ii) local levies for capital outlay and other purposes under Sections [53F-8-303](#),
74 [53F-8-301](#), and [53F-8-302](#).

75 (b) The annual fees due a school district shall be as follows:

76 (i) the project entity shall pay to the school district an annual fee for the state minimum
77 school program at the rate imposed by the school district and authorized by the Legislature
78 under Section [53F-2-301](#) [~~or [53F-2-301.5](#), as applicable~~]; and

79 (ii) for all other local property tax levies authorized to be imposed by a school district,
80 the project entity shall pay to the school district either:

81 (A) an annual fee; or

82 (B) impact alleviation payments under contracts or determination orders provided for
83 in Sections [11-13-305](#) and [11-13-306](#).

84 (3) (a) An annual fee due a taxing jurisdiction for a particular year shall be calculated
85 by multiplying the tax rate or rates of the jurisdiction for that year by the product obtained by
86 multiplying the fee base or value determined in accordance with Subsection (4) for that year of
87 the portion of the project located within the jurisdiction by the percentage of the project which
88 is used to produce the capacity, service, or other benefit sold to the energy supplier or suppliers.

89 (b) As used in this section, "tax rate," when applied in respect to a school district,

90 includes any assessment to be made by the school district under Subsection (2) or Section
91 63M-5-302.

92 (c) There is to be credited against the annual fee due a taxing jurisdiction for each year,
93 an amount equal to the debt service, if any, payable in that year by the project entity on bonds,
94 the proceeds of which were used to provide public facilities and services for impact alleviation
95 in the taxing jurisdiction in accordance with Sections 11-13-305 and 11-13-306.

96 (d) The tax rate for the taxing jurisdiction for that year shall be computed so as to:

97 (i) take into account the fee base or value of the percentage of the project located
98 within the taxing jurisdiction determined in accordance with Subsection (4) used to produce the
99 capacity, service, or other benefit sold to the supplier or suppliers; and

100 (ii) reflect any credit to be given in that year.

101 (4) (a) Except as otherwise provided in this section, the annual fees required by this
102 section shall be paid, collected, and distributed to the taxing jurisdiction as if:

103 (i) the annual fees were ad valorem property taxes; and

104 (ii) the project were assessed at the same rate and upon the same measure of value as
105 taxable property in the state.

106 (b) (i) Notwithstanding Subsection (4)(a), for purposes of an annual fee required by
107 this section, the fee base of a project may be determined in accordance with an agreement
108 among:

109 (A) the project entity; and

110 (B) any county that:

111 (I) is due an annual fee from the project entity; and

112 (II) agrees to have the fee base of the project determined in accordance with the
113 agreement described in this Subsection (4).

114 (ii) The agreement described in Subsection (4)(b)(i):

115 (A) shall specify each year for which the fee base determined by the agreement shall be
116 used for purposes of an annual fee; and

117 (B) may not modify any provision of this chapter except the method by which the fee
118 base of a project is determined for purposes of an annual fee.

119 (iii) For purposes of an annual fee imposed by a taxing jurisdiction within a county
120 described in Subsection (4)(b)(i)(B), the fee base determined by the agreement described in

121 Subsection (4)(b)(i) shall be used for purposes of an annual fee imposed by that taxing
122 jurisdiction.

123 (iv) (A) If there is not agreement as to the fee base of a portion of a project for any
124 year, for purposes of an annual fee, the State Tax Commission shall determine the value of that
125 portion of the project for which there is not an agreement:

126 (I) for that year; and

127 (II) using the same measure of value as is used for taxable property in the state.

128 (B) The valuation required by Subsection (4)(b)(iv)(A) shall be made by the State Tax
129 Commission in accordance with rules made by the State Tax Commission.

130 (c) Payments of the annual fees shall be made from:

131 (i) the proceeds of bonds issued for the project; and

132 (ii) revenues derived by the project entity from the project.

133 (d) (i) The contracts of the project entity with the purchasers of the capacity, service, or
134 other benefits of the project whose tangible property is not exempted by Utah Constitution
135 Article XIII, Section 3, from the payment of ad valorem property tax shall require each
136 purchaser, whether or not located in the state, to pay, to the extent not otherwise provided for,
137 its share, determined in accordance with the terms of the contract, of these fees.

138 (ii) It is the responsibility of the project entity to enforce the obligations of the
139 purchasers.

140 (5) (a) The responsibility of the project entity to make payment of the annual fees is
141 limited to the extent that there is legally available to the project entity, from bond proceeds or
142 revenues, money to make these payments, and the obligation to make payments of the annual
143 fees is not otherwise a general obligation or liability of the project entity.

144 (b) No tax lien may attach upon any property or money of the project entity by virtue of
145 any failure to pay all or any part of an annual fee.

146 (c) The project entity or any purchaser may contest the validity of an annual fee to the
147 same extent as if the payment was a payment of the ad valorem property tax itself.

148 (d) The payments of an annual fee shall be reduced to the extent that any contest is
149 successful.

150 (6) (a) The annual fee described in Subsection (1):

151 (i) shall be paid by a public agency that:

- 152 (A) is not a project entity; and
- 153 (B) owns an interest in a facility providing additional project capacity if the interest is
- 154 otherwise exempt from taxation pursuant to Utah Constitution, Article XIII, Section 3; and
- 155 (ii) for a public agency described in Subsection (6)(a)(i), shall be calculated in
- 156 accordance with Subsection (6)(b).
- 157 (b) The annual fee required under Subsection (6)(a) shall be an amount equal to the tax
- 158 rate or rates of the applicable taxing jurisdiction multiplied by the product of the following:
- 159 (i) the fee base or value of the facility providing additional project capacity located
- 160 within the jurisdiction;
- 161 (ii) the percentage of the ownership interest of the public agency in the facility; and
- 162 (iii) the portion, expressed as a percentage, of the public agency's ownership interest
- 163 that is attributable to the capacity, service, or other benefit from the facility that is sold by the
- 164 public agency to an energy supplier or suppliers whose tangible property is not exempted by
- 165 Utah Constitution, Article XIII, Section 3, from the payment of ad valorem property tax.
- 166 (c) A public agency paying the annual fee pursuant to Subsection (6)(a) shall have the
- 167 obligations, credits, rights, and protections set forth in Subsections (1) through (5) with respect
- 168 to its ownership interest as though it were a project entity.

169 Section 2. Section **11-13-310** is amended to read:

170 **11-13-310. Termination of impact alleviation contract.**

171 (1) If the project or any part of it or the facilities providing additional project capacity

172 or any part of them, or the output from the project or facilities providing additional project

173 capacity become subject, in addition to the requirements of Section [11-13-302](#), to ad valorem

174 property taxation or other payments in lieu of ad valorem property taxation, or other form of

175 tax equivalent payments to any candidate which is a party to an impact alleviation contract with

176 respect to the project or facilities providing additional project capacity or is receiving impact

177 alleviation payments or means with respect to the project or facilities providing additional

178 project capacity pursuant to a determination by the board, then the impact alleviation contract

179 or the requirement to make impact alleviation payments or provide means therefor pursuant to

180 the determination, as the case may be, shall, at the election of the candidate, terminate.

181 (2) In any event, each impact alleviation contract or determination order shall terminate

182 upon the project, or, in the case of facilities providing additional project capacity, those

183 facilities becoming subject to the provisions of Section 11-13-302, except that no impact
 184 alleviation contract or agreement entered by a school district shall terminate because of in lieu
 185 ad valorem property tax fees levied under Subsection 11-13-302(2)(b)(i) or because of ad
 186 valorem property taxes levied under Section 53F-2-301 [~~or 53F-2-301.5, as applicable,~~] for the
 187 state minimum school program.

188 (3) In addition, if the construction of the project, or, in the case of facilities providing
 189 additional project capacity, of those facilities, is permanently terminated for any reason, each
 190 impact alleviation contract and determination order, and the payments and means required
 191 thereunder, shall terminate.

192 (4) No termination of an impact alleviation contract or determination order may
 193 terminate or reduce any liability previously incurred pursuant to the contract or determination
 194 order by the candidate beneficiary under it.

195 (5) If the provisions of Section 11-13-302, or its successor, are held invalid by a court
 196 of competent jurisdiction, and no ad valorem taxes or other form of tax equivalent payments
 197 are payable, the remaining provisions of this chapter shall continue in operation without regard
 198 to the commencement of commercial operation of the last generating unit of that project or of
 199 facilities providing additional project capacity.

200 Section 3. Section 53E-1-202 is amended to read:

201 **53E-1-202. Reports to and action required of the Public Education**
 202 **Appropriations Subcommittee.**

203 (1) In accordance with applicable provisions and Section 68-3-14, the following
 204 recurring reports are due to the Public Education Appropriations Subcommittee:

205 (a) the State Superintendent's Annual Report by the state board described in Section
 206 53E-1-203;

207 (b) the report described in Section 53E-10-703 by the Utah Leading through Effective,
 208 Actionable, and Dynamic Education director on research and other activities; and

209 (c) the report by the STEM Action Center Board described in Section 9-22-109,
 210 including the information described in Section 9-22-113 on the status of the computer science
 211 initiative.

212 (2) The one-time report by the state board regarding cost centers and implementing
 213 activity based costing is due to the Public Education Appropriations Subcommittee in

214 accordance with Section 53E-3-520.

215 (3) In accordance with applicable provisions, the Public Education Appropriations
216 Subcommittee shall complete [~~the following: (a) the review described in Section 53E-2-301 of~~
217 ~~the WPU value rate, and (b)]~~, if required, the study described in Section 53F-4-304 of
218 scholarship payments.

219 Section 4. Section 53F-2-205 is amended to read:

220 **53F-2-205. Powers and duties of state board to adjust Minimum School Program**
221 **allocations -- Use of remaining funds at the end of a fiscal year.**

222 (1) As used in this section:

223 (a) "ESEA" means the Elementary and Secondary Education Act of 1965, 20 U.S.C.
224 Sec. 6301 et seq.

225 (b) "Program" means a program or allocation funded by a line item appropriation or
226 other appropriation designated as:

- 227 (i) Basic Program;
- 228 (ii) Related to Basic Programs;
- 229 (iii) Voted and Board Levy Programs; or
- 230 (iv) Minimum School Program.

231 (2) Except as provided in Subsection (3) or (5), if the number of weighted pupil units
232 in a program is underestimated, the state board shall reduce the value of the weighted pupil unit
233 in that program so that the total amount paid for the program does not exceed the amount
234 appropriated for the program.

235 (3) If the number of weighted pupil units in a program is overestimated, the state board
236 shall spend excess money appropriated for the following purposes giving priority to the
237 purpose described in Subsection (3)(a):

238 (a) to support the value of the weighted pupil unit in a program within the basic
239 state-supported school program in which the number of weighted pupil units is underestimated;

240 (b) to support the state guaranteed local levy increments as defined in Section
241 53F-2-601, if:

242 (i) local contributions to the voted local levy program or board local levy program are
243 overestimated; or

244 (ii) the number of weighted pupil units within school districts qualifying for a

245 guarantee is underestimated;

246 (c) to support the state supplement to local property taxes allocated to charter schools,
247 if the state supplement is less than the amount prescribed by Section 53F-2-704;

248 (d) to fund the cost of the salary supplements described in Section 53F-2-504; or

249 (e) to support a school district with a loss in student enrollment as provided in Section
250 53F-2-207.

251 (4) If local contributions from the minimum basic tax rate imposed under Section
252 53F-2-301 [~~or 53F-2-301.5, as applicable,~~] are overestimated, the state board shall reduce the
253 value of the weighted pupil unit for all programs within the basic state-supported school
254 program so the total state contribution to the basic state-supported school program does not
255 exceed the amount of state funds appropriated.

256 (5) If local contributions from the minimum basic tax rate imposed under Section
257 53F-2-301 [~~or 53F-2-301.5, as applicable,~~] are underestimated, the state board shall:

258 (a) spend the excess local contributions for the purposes specified in Subsection (3),
259 giving priority to supporting the value of the weighted pupil unit in programs within the basic
260 state-supported school program in which the number of weighted pupil units is underestimated;
261 and

262 (b) reduce the state contribution to the basic state-supported school program so the
263 total cost of the basic state-supported school program does not exceed the total state and local
264 funds appropriated to the basic state-supported school program plus the local contributions
265 necessary to support the value of the weighted pupil unit in programs within the basic
266 state-supported school program in which the number of weighted pupil units is underestimated.

267 (6) Except as provided in Subsection (3) or (5), the state board shall reduce the state
268 guarantee per weighted pupil unit provided under the local levy state guarantee program
269 described in Section 53F-2-601, if:

270 (a) local contributions to the voted local levy program or board local levy program are
271 overestimated; or

272 (b) the number of weighted pupil units within school districts qualifying for a
273 guarantee is underestimated.

274 (7) Money appropriated to the state board is nonlapsing, including appropriations to the
275 Minimum School Program and all agencies, line items, and programs under the jurisdiction of

276 the state board.

277 (8) The state board shall report actions taken by the state board under this section to the
278 Office of the Legislative Fiscal Analyst and the Governor's Office of Planning and Budget.

279 Section 5. Section **53F-2-301** is amended to read:

280 **53F-2-301. Minimum basic tax rate for a fiscal year that begins after July 1, 2021.**

281 (1) The provisions of this section are not in effect for a fiscal year that begins on July 1,
282 2018, 2019, 2020, or 2021~~[, or 2022]~~.

283 (2) As used in this section:

284 (a) "Basic levy increment rate" means a tax rate that will generate an amount of
285 revenue equal to \$75,000,000.

286 ~~[(b) "Combined basic rate" means a rate that is the sum of:]~~

287 ~~[(i) the minimum basic tax rate; and]~~

288 ~~[(ii) the WPU value rate.]~~

289 ~~[(c)]~~ (b) "Commission" means the State Tax Commission.

290 ~~[(d)]~~ (c) "Equity pupil tax rate" means the tax rate that ~~[will generate an amount of~~
291 ~~revenue equal to the amount generated by the equity pupil tax rate as defined in Section~~
292 ~~53F-2-301.5 in the fiscal year that begins July 1, 2022.]~~ is:

293 (i) calculated by subtracting the minimum basic tax rate from the rate floor; or

294 (ii) zero, if the rate calculated in accordance with Subsection (2)(c)(i) is zero or less.

295 ~~[(e)]~~ (d) "Minimum basic local amount" means an amount that is:

296 (i) equal to the sum of:

297 (A) the school districts' contribution to the basic school program the previous fiscal
298 year;

299 (B) the amount generated by the basic levy increment rate;

300 (C) the amount generated by the equity pupil tax rate; and

301 (D) the eligible new growth, as defined in Section [59-2-924](#) and rules of the State Tax
302 Commission multiplied by the minimum basic rate; and

303 (ii) set annually by the Legislature in Subsection (3)(a).

304 ~~[(f)]~~ (e) "Minimum basic tax rate" means a tax rate certified by the commission that
305 will generate an amount of revenue equal to the minimum basic local amount described in
306 Subsection (3)(a).

307 ~~[(g) "Weighted pupil unit value" or "WPU value" means the amount established each~~
 308 ~~year in the enacted public education budget that is multiplied by the number of weighted pupil~~
 309 ~~units to yield the funding level for the basic school program.]~~

310 ~~[(h) "WPU value amount" means an amount:]~~

311 ~~[(i) that is equal to the product of:]~~

312 ~~[(A) the WPU value increase limit; and]~~

313 ~~[(B) the percentage share of local revenue to the cost of the basic school program in the~~
 314 ~~immediately preceding fiscal year; and]~~

315 ~~[(ii) set annually by the Legislature in Subsection (4)(a).]~~

316 ~~[(i) "WPU value increase limit" means the lesser of:]~~

317 ~~[(i) the total cost to the basic school program to increase the WPU value over the WPU~~
 318 ~~value in the prior fiscal year; or]~~

319 ~~[(ii) the total cost to the basic school program to increase the WPU value by 4% over~~
 320 ~~the WPU value in the prior fiscal year.]~~

321 ~~[(j) "WPU value rate" means a tax rate certified by the commission that will generate~~
 322 ~~an amount of revenue equal to the WPU value amount described in Subsection (4)(a).]~~

323 (3) (a) The minimum basic local amount for the fiscal year that begins on July 1, 2018,
 324 is \$408,073,800 in revenue statewide.

325 (b) The preliminary estimate of the minimum basic tax rate for a fiscal year that begins
 326 on July 1, 2018, is .001498.

327 ~~[(4) (a) The WPU value amount for the fiscal year that begins on July 1, 2018, is~~
 328 ~~\$18,650,000 in revenue statewide.]~~

329 ~~[(b) The preliminary estimate of the WPU value rate for the fiscal year that begins on~~
 330 ~~July 1, 2018, is .000069.]~~

331 ~~[(5)]~~ (4) (a) On or before June 22, the commission shall certify ~~[for the year: (i)]~~ the
 332 minimum basic tax rate ~~[; and]~~ for the year.

333 ~~[(ii) the WPU value rate.]~~

334 (b) The estimate of the minimum basic tax rate provided in Subsection (3)(b) ~~[and the~~
 335 ~~estimate of the WPU value rate provided in Subsection (4)(b) are]~~ is based on a forecast for
 336 property values for the next calendar year.

337 (c) The certified minimum basic tax rate described in Subsection ~~[(5)(a)(i) and the~~

338 ~~certified WPU value rate described in Subsection (5)(a)(ii) are]~~ (4)(a) is based on property
339 values as of January 1 of the current calendar year, except personal property, which is based on
340 values from the previous calendar year.

341 ~~[(6)]~~ (5) (a) To qualify for receipt of the state contribution toward the basic school
342 program and as a school district's contribution toward the cost of the basic school program for
343 the school district, each local school board shall impose the ~~[combined]~~ minimum basic tax
344 rate.

345 (b) (i) The state is not subject to the notice requirements of Section 59-2-926 before
346 imposing the tax rates described in this Subsection ~~[(6)]~~ (5).

347 (ii) ~~[(A) Except as provided in Subsection (6)(b)(ii)(B), the]~~ The state is subject to the
348 notice requirements of Section 59-2-926 if the state authorizes a tax rate that exceeds the tax
349 rates described in this Subsection ~~[(6)]~~ (5).

350 ~~[(B) For a calendar year that begins on January 1, 2018, the state is not subject to the~~
351 ~~notice and public hearing requirements of Section 59-2-926 if the state authorizes a combined~~
352 ~~basic rate that exceeds the tax rates authorized in this section.]~~

353 ~~[(7)]~~ (6) (a) The state shall contribute to each school district toward the cost of the
354 basic school program in the school district an amount of money that is the difference between
355 the cost of the school district's basic school program and the sum of revenue generated by the
356 school district by the following:

- 357 (i) the ~~[combined]~~ minimum basic tax rate;
- 358 (ii) the basic levy increment rate; and
- 359 (iii) the equity pupil tax rate.

360 (b) (i) If the difference described in Subsection ~~[(7)]~~ (6)(a) equals or exceeds the cost
361 of the basic school program in a school district, no state contribution shall be made to the basic
362 school program for the school district.

363 (ii) The proceeds of the difference described in Subsection ~~[(7)]~~ (6)(a) that exceed the
364 cost of the basic school program shall be paid into the Uniform School Fund as provided by
365 law and by the close of the fiscal year in which the proceeds were calculated.

366 ~~[(8)]~~ (7) Upon appropriation by the Legislature, the Division of Finance shall deposit
367 an amount equal to the proceeds generated statewide:

- 368 (a) by the basic levy increment rate into the Minimum Basic Growth Account created

369 in Section [53F-9-302](#); and

370 (b) by the equity pupil tax rate into the Local Levy Growth Account created in Section
371 [53F-9-305](#) [~~and~~].

372 [~~(c) by the WPU value rate into the Teacher and Student Success Account created in~~
373 ~~Section [53F-9-306](#).~~]

374 [~~(9) After July 1, 2021, but before November 30, 2022, the Public Education~~
375 ~~Appropriations Subcommittee.~~]

376 [~~(a) shall review the WPU value rate, the impact of revenues generated by the WPU~~
377 ~~value rate on public education funding, and whether local school boards should continue to~~
378 ~~levy the WPU value rate; and]~~

379 [~~(b) may recommend an increase, repeal, or continuance of the WPU value rate.~~]

380 Section 6. Section **53F-2-515** is amended to read:

381 **53F-2-515. Federal Impact Aid Program -- Offset for underestimated allocations**
382 **from the Federal Impact Aid Program.**

383 (1) In addition to the revenues received from the levy imposed by a local school board
384 and authorized by the Legislature under Section [53F-2-301](#) [~~or [53F-2-301.5](#), as applicable~~], the
385 Legislature shall provide an amount equal to the difference between the school district's
386 anticipated receipts under the entitlement for the fiscal year from the Federal Impact Aid
387 Program and the amount the school district actually received from this source for the next
388 preceding fiscal year.

389 (2) If at the end of a fiscal year the sum of the receipts of a school district from a
390 distribution from the Legislature pursuant to Subsection (1) plus the school district's allocations
391 from the Federal Impact Aid Program for that fiscal year exceeds the amount allocated to the
392 school district from the Federal Impact Aid Program for the next preceding fiscal year, the
393 excess funds are carried into the next succeeding fiscal year and become in that year a part of
394 the school district's contribution to the school district's basic program for operation and
395 maintenance under the state minimum school finance law.

396 (3) During the next succeeding fiscal year described in Subsection (2), the school
397 district's required tax rate for the basic program shall be reduced so that the yield from the
398 reduced tax rate plus the carryover funds equal the school district's required contribution to the
399 school district's basic program.

400 (4) For the school district of a local school board that is required to reduce the school
401 district's basic tax rate under this section, the school district shall receive state minimum school
402 program funds as though the reduction in the tax rate had not been made.

403 Section 7. Section **53F-9-302** is amended to read:

404 **53F-9-302. Minimum Basic Growth Account.**

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

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

409 (3) The account shall be funded by amounts deposited into the account in accordance
410 with Section [53F-2-301](#) [~~or [53F-2-301.5](#), as applicable~~].

411 (4) The account shall earn interest.

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

413 (6) Upon appropriation by the Legislature:

414 (a) 75% of the money from the account shall be used to fund the state's contribution to
415 the voted local levy guarantee described in Section [53F-2-601](#);

416 (b) 20% of the money from the account shall be used to fund the Capital Outlay
417 Foundation Program as provided in Section [53F-3-202](#); and

418 (c) 5% of the money from the account shall be used to fund the Capital Outlay
419 Enrollment Growth Program as provided in Section [53F-3-203](#).

420 Section 8. Section **53F-9-305** is amended to read:

421 **53F-9-305. Local Levy Growth Account.**

422 (1) As used in this section, "account" means the Local Levy Growth Account created in
423 this section.

424 (2) There is created within the Education Fund a restricted account known as the
425 "Local Levy Growth Account."

426 (3) The account shall be funded by:

427 (a) amounts deposited into the account in accordance with Section [53F-2-301](#) [~~or
428 [53F-2-301.5](#), as applicable~~]; and

429 (b) other legislative appropriations.

430 (4) The account shall earn interest.

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

432 (6) The Legislature shall appropriate money in the account to the state board.

433 Section 9. Section **53F-9-306** is amended to read:

434 **53F-9-306. Teacher and Student Success Account.**

435 (1) As used in this section, "account" means the Teacher and Student Success Account
436 created in this section.

437 (2) There is created within the Education Fund a restricted account known as the
438 "Teacher and Student Success Account."

439 (3) The account shall be funded by[:~~(a) amounts deposited into the account in~~
440 ~~accordance with Section 53F-2-301 or 53F-2-301.5, as applicable; and (b) other~~] legislative
441 appropriations.

442 (4) The account shall earn interest.

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

444 (6) The Legislature shall appropriate money in the account to the state board.

445 Section 10. Section **53G-3-304** is amended to read:

446 **53G-3-304. Property tax levies in new district and remaining district --**

447 **Distribution of property tax revenue.**

448 (1) Notwithstanding terms defined in Section **53G-3-102**, as used in this section:

449 (a) "Divided school district" or "existing district" means a school district from which a
450 new district is created.

451 (b) "New district" means a school district created under Section **53G-3-302** after May
452 10, 2011.

453 (c) "Property tax levy" means a property tax levy that a school district is authorized to
454 impose, except:

455 (i) the minimum basic tax rate imposed under Section **53F-2-301** [~~or 53F-2-301.5, as~~
456 ~~applicable~~];

457 (ii) a debt service levy imposed under Section **11-14-310**; or

458 (iii) a judgment levy imposed under Section **59-2-1330**.

459 (d) "Qualifying taxable year" means the calendar year in which a new district begins to
460 provide educational services.

461 (e) "Remaining district" means an existing district after the creation of a new district.

462 (2) A new district and remaining district shall continue to impose property tax levies
463 that were imposed by the divided school district in the taxable year prior to the qualifying
464 taxable year.

465 (3) Except as provided in Subsection (6), a property tax levy that a new district and
466 remaining district are required to impose under Subsection (2) shall be set at a rate that:

467 (a) is uniform in the new district and remaining district; and

468 (b) generates the same amount of revenue that was generated by the property tax levy
469 within the divided school district in the taxable year prior to the qualifying taxable year.

470 (4) The county treasurer of the county in which a property tax levy is imposed under
471 Subsection (2) shall distribute revenues generated by the property tax levy to the new district
472 and remaining district in proportion to the percentage of the divided school district's enrollment
473 on the October 1 prior to the new district commencing educational services that were enrolled
474 in schools currently located in the new district or remaining district.

475 (5) On or before March 31, a county treasurer shall distribute revenues generated by a
476 property tax levy imposed under Subsection (2) in the prior calendar year to a new district and
477 remaining district as provided in Subsection (4).

478 (6) (a) Subject to the notice and public hearing requirements of Section 59-2-919, a
479 new district or remaining district may set a property tax rate higher than the rate required by
480 Subsection (3), up to:

481 (i) the maximum rate, if any, allowed by law; or

482 (ii) the maximum rate authorized by voters for a voted local levy under Section
483 53F-8-301.

484 (b) The revenues generated by the portion of a property tax rate in excess of the rate
485 required by Subsection (3) shall be retained by the district that imposes the higher rate.

486 Section 11. Section 59-2-919.1 is amended to read:

487 **59-2-919.1. Notice of property valuation and tax changes.**

488 (1) In addition to the notice requirements of Section 59-2-919, the county auditor, on or
489 before July 22 of each year, shall notify each owner of real estate who is listed on the
490 assessment roll.

491 (2) The notice described in Subsection (1) shall:

492 (a) except as provided in Subsection (5), be sent to all owners of real property by mail

493 10 or more days before the day on which:

494 (i) the county board of equalization meets; and

495 (ii) the taxing entity holds a public hearing on the proposed increase in the certified tax

496 rate;

497 (b) be on a form that is:

498 (i) approved by the commission; and

499 (ii) uniform in content in all counties in the state; and

500 (c) contain for each property:

501 (i) the assessor's determination of the value of the property;

502 (ii) the taxable value of the property;

503 (iii) (A) the deadline for the taxpayer to make an application to appeal the valuation or

504 equalization of the property under Section 59-2-1004; or

505 (B) for property assessed by the commission, the deadline for the taxpayer to apply to

506 the commission for a hearing on an objection to the valuation or equalization of the property

507 under Section 59-2-1007;

508 (iv) for a property assessed by the commission, a statement that the taxpayer may not

509 appeal the valuation or equalization of the property to the county board of equalization;

510 (v) itemized tax information for all applicable taxing entities, including:

511 (A) the dollar amount of the taxpayer's tax liability for the property in the prior year;

512 and

513 (B) the dollar amount of the taxpayer's tax liability under the current rate;

514 (vi) the following, stated separately:

515 (A) the charter school levy described in Section 53F-2-703;

516 (B) the multicounty assessing and collecting levy described in Subsection

517 59-2-1602(2);

518 (C) the county assessing and collecting levy described in Subsection 59-2-1602(4);

519 (D) for a fiscal year that begins before July 1, [~~2023~~] 2022, the combined basic rate as

520 defined in Section 53F-2-301.5; and

521 (E) for a fiscal year that begins on or after July 1, [~~2023~~] 2022, the [~~combined~~]

522 minimum basic tax rate as defined in Section 53F-2-301;

523 (vii) the tax impact on the property;

- 524 (viii) the time and place of the required public hearing for each entity;
- 525 (ix) property tax information pertaining to:
- 526 (A) taxpayer relief;
- 527 (B) options for payment of taxes;
- 528 (C) collection procedures; and
- 529 (D) the residential exemption described in Section 59-2-103;
- 530 (x) information specifically authorized to be included on the notice under this chapter;
- 531 (xi) the last property review date of the property as described in Subsection
- 532 59-2-303.1(1)(c); and
- 533 (xii) other property tax information approved by the commission.
- 534 (3) If a taxing entity that is subject to the notice and hearing requirements of
- 535 Subsection 59-2-919(4) proposes a tax increase, the notice described in Subsection (1) shall
- 536 state, in addition to the information required by Subsection (2):
- 537 (a) the dollar amount of the taxpayer's tax liability if the proposed increase is approved;
- 538 (b) the difference between the dollar amount of the taxpayer's tax liability if the
- 539 proposed increase is approved and the dollar amount of the taxpayer's tax liability under the
- 540 current rate, placed in close proximity to the information described in Subsection (2)(c)(viii);
- 541 and
- 542 (c) the percentage increase that the dollar amount of the taxpayer's tax liability under
- 543 the proposed tax rate represents as compared to the dollar amount of the taxpayer's tax liability
- 544 under the current tax rate.
- 545 (4) If a change to state law increases a tax rate stated on a notice described in
- 546 Subsection (1), the notice described in Subsection (1) shall state in addition to the information
- 547 required by Subsections (2) and (3):
- 548 (a) the difference between the dollar amount of the taxpayer's tax liability under the
- 549 current tax rate and the dollar amount of the taxpayer's tax liability before the change to state
- 550 law became effective; and
- 551 (b) the percentage increase that the dollar amount of the taxpayer's tax liability under
- 552 the current tax rate represents as compared to the dollar amount of the taxpayer's tax liability
- 553 under the tax rate before the change to state law becomes effective.
- 554 (5) (a) Subject to the other provisions of this Subsection (5), a county auditor may, at

555 the county auditor's discretion, provide the notice required by this section to a taxpayer by
556 electronic means if a taxpayer makes an election, according to procedures determined by the
557 county auditor, to receive the notice by electronic means.

558 (b) (i) If a notice required by this section is sent by electronic means, a county auditor
559 shall attempt to verify whether a taxpayer receives the notice.

560 (ii) If receipt of the notice sent by electronic means cannot be verified 14 days or more
561 before the county board of equalization meets and the taxing entity holds a public hearing on a
562 proposed increase in the certified tax rate, the notice required by this section shall also be sent
563 by mail as provided in Subsection (2).

564 (c) A taxpayer may revoke an election to receive the notice required by this section by
565 electronic means if the taxpayer provides written notice to the county auditor on or before April
566 30.

567 (d) An election or a revocation of an election under this Subsection (5):

568 (i) does not relieve a taxpayer of the duty to pay a tax due under this chapter on or
569 before the due date for paying the tax; or

570 (ii) does not alter the requirement that a taxpayer appealing the valuation or the
571 equalization of the taxpayer's real property submit the application for appeal within the time
572 period provided in Subsection 59-2-1004(3).

573 (e) A county auditor shall provide the notice required by this section as provided in
574 Subsection (2), until a taxpayer makes a new election in accordance with this Subsection (5), if:

575 (i) the taxpayer revokes an election in accordance with Subsection (5)(c) to receive the
576 notice required by this section by electronic means; or

577 (ii) the county auditor finds that the taxpayer's electronic contact information is invalid.

578 (f) A person is considered to be a taxpayer for purposes of this Subsection (5)
579 regardless of whether the property that is the subject of the notice required by this section is
580 exempt from taxation.

581 Section 12. Section 59-2-926 is amended to read:

582 **59-2-926. Proposed tax increase by state -- Notice -- Contents -- Dates.**

583 If the state authorizes a tax rate that exceeds the [applicable] tax rate described in
584 Section 53F-2-301 [or 53F-2-301.5], or authorizes a levy pursuant to Section 59-2-1602 that
585 exceeds the certified revenue levy as defined in Section 59-2-102, the state shall publish a

586 notice no later than 10 days after the last day of the annual legislative general session that
587 meets the following requirements:

588 (1) (a) The Office of the Legislative Fiscal Analyst shall advertise that the state
589 authorized a levy that generates revenue in excess of the previous year's ad valorem tax
590 revenue, plus eligible new growth as defined in Section 59-2-924, but exclusive of revenue
591 from collections from redemptions, interest, and penalties:

592 (i) in a newspaper of general circulation in the state; and

593 (ii) as required in Section 45-1-101.

594 (b) Except an advertisement published on a website, the advertisement described in
595 Subsection (1)(a):

596 (i) shall be no less than 1/4 page in size and the type used shall be no smaller than 18
597 point, and surrounded by a 1/4-inch border;

598 (ii) may not be placed in that portion of the newspaper where legal notices and
599 classified advertisements appear; and

600 (iii) shall be run once.

601 (2) The form and content of the notice shall be substantially as follows:

602 "NOTICE OF TAX INCREASE

603 The state has budgeted an increase in its property tax revenue from \$ _____ to
604 \$ _____ or ____%. The increase in property tax revenues will come from the following
605 sources (include all of the following provisions):

606 (a) \$ _____ of the increase will come from (provide an explanation of the cause
607 of adjustment or increased revenues, such as reappraisals or factoring orders);

608 (b) \$ _____ of the increase will come from natural increases in the value of the
609 tax base due to (explain cause of eligible new growth, such as new building activity,
610 annexation, etc.);

611 (c) a home valued at \$100,000 in the state of Utah which based on last year's (levy for
612 the basic state-supported school program, applicable tax rate for the Property Tax Valuation
613 Agency Fund, or both) paid \$ _____ in property taxes would pay the following:

614 (i) \$ _____ if the state of Utah did not budget an increase in property tax revenue
615 exclusive of eligible new growth; and

616 (ii) \$ _____ under the increased property tax revenues exclusive of eligible new

617 growth budgeted by the state of Utah."

618 Section 13. Section **63I-2-211** is amended to read:

619 **63I-2-211. Repeal dates -- Title 11.**

620 [~~(1) Subsections **11-13-302**(2)(a)(i) and (2)(b)(i), the language that states "or~~
621 ~~**53F-2-301.5**, as applicable" is repealed July 1, 2023.]~~

622 [~~(2) Section **11-13-310**, the language that states "or **53F-2-301.5**, as applicable," is~~
623 ~~repealed July 1, 2023.]~~

624 [~~(3)~~] Title 11, Chapter 53, Residential Property Reimbursement, is repealed on January
625 1, 2020.

626 Section 14. Section **63I-2-253** is amended to read:

627 **63I-2-253. Repeal dates -- Titles 53 through 53G.**

628 (1) Section **53-1-106.1** is repealed January 1, 2022.

629 (2) (a) Section **53-2a-217**, regarding procurement during an epidemic or pandemic
630 emergency, is repealed on December 31, 2021.

631 (b) When repealing Section **53-2a-217**, the Office of Legislative Research and General
632 Counsel shall, in addition to the office's authority under Subsection **36-12-12**(3), make
633 necessary changes to subsection numbering and cross references.

634 (3) Section **53-2a-219**, in relation to termination of emergency powers pertaining to
635 COVID-19, is repealed on July 1, 2021.

636 (4) (a) Subsection **53B-2a-108**(5), regarding exceptions to the composition of a
637 technical college board of trustees, is repealed July 1, 2022.

638 (b) When repealing Subsection **53B-2a-108**(5), the Office of Legislative Research and
639 General Counsel shall, in addition to its authority under Subsection **36-12-12**(3), make
640 necessary changes to subsection numbering and cross references.

641 (5) Section **53B-6-105.7** is repealed July 1, 2024.

642 (6) (a) Subsection **53B-7-705**(6)(b)(iii)(A), the language that states "Except as
643 provided in Subsection (6)(b)(iii)(B)," is repealed July 1, 2021.

644 (b) Subsection **53B-7-705**(6)(b)(iii)(B), regarding comparing a technical college's
645 change in performance with the technical college's average performance, is repealed July 1,
646 2021.

647 (7) (a) Subsection **53B-7-707**(3)(a)(ii), the language that states "Except as provided in

648 Subsection (3)(b)," is repealed July 1, 2021.

649 (b) Subsection 53B-7-707(3)(b), regarding performance data of a technical college
650 during a fiscal year before fiscal year 2020, is repealed July 1, 2021.

651 (8) Section 53B-7-707 regarding performance metrics for technical colleges is repealed
652 July 1, 2023.

653 (9) Section 53B-8-114 is repealed July 1, 2024.

654 (10) The following sections, regarding the Regents' scholarship program, are repealed
655 on July 1, 2023:

656 (a) Section 53B-8-202;

657 (b) Section 53B-8-203;

658 (c) Section 53B-8-204; and

659 (d) Section 53B-8-205.

660 (11) Section 53B-10-101 is repealed on July 1, 2027.

661 (12) Title 53B, Chapter 18, Part 14, Uintah Basin Air Quality Research Project, is
662 repealed July 1, 2023.

663 (13) Section 53E-1-202.2, regarding a Public Education Appropriations Subcommittee
664 evaluation and recommendations, is repealed January 1, 2024.

665 (14) Section 53E-3-520 is repealed July 1, 2021.

666 (15) Subsection 53E-10-309(7), related to the PRIME pilot program, is repealed July 1,
667 2024.

668 [~~(16) In Subsections 53F-2-205(4) and (5), regarding the State Board of Education's~~
669 ~~duties if contributions from the minimum basic tax rate are overestimated or underestimated,~~
670 ~~the language that states "or 53F-2-301.5, as applicable" is repealed July 1, 2023.]~~

671 [(17)] (16) Section 53F-2-209, regarding local education agency budgetary flexibility,
672 is repealed July 1, 2024.

673 [(18)] (17) Subsection 53F-2-301(1), relating to the years the section is not in effect, is
674 repealed July 1, 2023.

675 [(19)] (18) Section 53F-2-302.1, regarding the Enrollment Growth Contingency
676 Program, is repealed July 1, 2023.

677 [(20)] (19) Subsection 53F-2-314(4), relating to a one-time expenditure between the
678 at-risk WPU add-on funding and previous at-risk funding, is repealed January 1, 2024.

679 ~~[(21)]~~ (20) Section [53F-2-418](#), regarding the Supplemental Educator COVID-19
680 Stipend, is repealed January 1, 2022.

681 ~~[(22) In Subsection [53F-2-515](#)(1), the language that states "or [53F-2-301.5](#), as
682 applicable" is repealed July 1, 2023.]~~

683 ~~[(23)]~~ (21) Section [53F-4-207](#) is repealed July 1, 2022.

684 ~~[(24)]~~ (22) Subsection [53F-4-401](#)(3)(b), regarding a child enrolled or eligible for
685 enrollment in kindergarten, is repealed July 1, 2022.

686 ~~[(25)]~~ (23) In Subsection [53F-4-404](#)(4)(c), the language that states "Except as provided
687 in Subsection (4)(d)" is repealed July 1, 2022.

688 ~~[(26)]~~ (24) Subsection [53F-4-404](#)(4)(d) is repealed July 1, 2022.

689 ~~[(27) In Subsection [53F-9-302](#)(3), the language that states "or [53F-2-301.5](#), as
690 applicable" is repealed July 1, 2023.]~~

691 ~~[(28) In Subsection [53F-9-305](#)(3)(a), the language that states "or [53F-2-301.5](#), as
692 applicable" is repealed July 1, 2023.]~~

693 ~~[(29) In Subsection [53F-9-306](#)(3)(a), the language that states "or [53F-2-301.5](#), as
694 applicable" is repealed July 1, 2023.]~~

695 ~~[(30) In Subsection [53G-3-304](#)(1)(c)(i), the language that states "or [53F-2-301.5](#), as
696 applicable" is repealed July 1, 2023.]~~

697 ~~[(31)]~~ (25) Subsections [53G-10-204](#)(1)(c) through (e), and Subsection [53G-10-204](#)(6),
698 related to the civics engagement pilot program, are repealed on July 1, 2023.

699 ~~[(32)]~~ (26) On July 1, 2023, when making changes in this section, the Office of
700 Legislative Research and General Counsel shall, in addition to the office's authority under
701 Subsection [36-12-12](#)(3), make corrections necessary to ensure that sections and subsections
702 identified in this section are complete sentences and accurately reflect the office's perception of
703 the Legislature's intent.

704 Section 15. Section [63I-2-259](#) is amended to read:

705 **[63I-2-259](#). Repeal dates -- Title 59.**

706 ~~[(1) In Section [59-2-926](#), the language that states "applicable" and "or [53F-2-301.5](#)" is
707 repealed July 1, 2023.]~~

708 ~~[(2)]~~ (1) Subsection [59-7-106](#)(1)(w) is repealed December 31, 2021.

709 ~~[(3)]~~ (2) Section [59-7-620](#) is repealed December 31, 2021.

710 [~~(4)~~] (3) Subsection **59-10-114(2)(j)** is repealed December 31, 2021.

711 Section 16. **Repealer.**

712 This bill repeals:

713 Section **53F-2-301.5, Minimum basic tax rate for a fiscal year that begins on July 1,**
714 **2018, 2019, 2020, 2021, or 2022.**

715 Section 17. **Retrospective operation.**

716 This bill has retrospective operation for a taxable year beginning on or after January 1,
717 2022.