

REDUCTION OF MINIMUM BASIC TAX RATE

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: Robert M. Spendlove

LONG TITLE

General Description:

This bill amends provisions related to the minimum basic tax rate that funds public education.

Highlighted Provisions:

This bill:

- ▶ reduces the revenue target for revenue that the minimum basic tax generates;
- ▶ repeals the weighted pupil unit (WPU) value rate;
- ▶ repeals obsolete provisions related to a past freeze on the basic tax rate, including the equity pupil tax rate; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

This bill provides retrospective operation.

This bill provides a coordination clause.

Utah Code Sections Affected:

AMENDS:

11-13-302, as last amended by Laws of Utah 2022, Chapter 239

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



28 **53E-1-202**, as last amended by Laws of Utah 2022, Chapter 274
 29 **53F-2-205**, as last amended by Laws of Utah 2021, Chapter 382
 30 **53F-2-301**, as last amended by Laws of Utah 2021, Chapter 319
 31 **53F-2-515**, as last amended by Laws of Utah 2018, Chapter 456 and renumbered and
 32 amended by Laws of Utah 2018, Chapter 2
 33 **53F-9-302**, as last amended by Laws of Utah 2022, Chapter 456
 34 **53F-9-305**, as last amended by Laws of Utah 2022, Chapter 456
 35 **53F-9-306**, as last amended by Laws of Utah 2022, Chapter 456
 36 **53G-3-304**, as last amended by Laws of Utah 2018, Chapters 281, 456 and renumbered
 37 and amended by Laws of Utah 2018, Chapter 3
 38 **59-2-919.1**, as last amended by Laws of Utah 2022, Chapter 293
 39 **59-2-926**, as last amended by Laws of Utah 2022, Chapter 451
 40 **63I-2-211**, as last amended by Laws of Utah 2018, Chapters 337, 456
 41 **63I-2-253**, as last amended by Laws of Utah 2022, Chapters 208, 229, 274, 354, 370,
 42 and 409
 43 **63I-2-259**, as last amended by Laws of Utah 2022, Chapter 264

44 REPEALS:

45 **53F-2-301.5**, as last amended by Laws of Utah 2022, Chapters 1, 409

46 **Utah Code Sections Affected by Coordination Clause:**

47 **53F-2-301**, as last amended by Laws of Utah 2021, Chapter 319



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

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

51 **11-13-302. Payment of fee in lieu of ad valorem property tax by certain energy**
 52 **suppliers -- Method of calculating -- Collection -- Extent of tax lien.**

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

58 (b) For purposes of this section, "annual fee" means the annual fee described in

59 Subsection (1)(a) that is in lieu of ad valorem property tax.

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

61 (i) with respect to each taxing jurisdiction that is a candidate receiving the benefit of
62 impact alleviation payments under contracts or determination orders provided for in Sections
63 11-13-305 and 11-13-306, with the fiscal year of the candidate following the fiscal year of the
64 candidate in which the date of commercial operation of the last generating unit, other than any
65 generating unit providing additional project capacity, of the project occurs, or, in the case of
66 any facilities providing additional project capacity, with the fiscal year of the candidate
67 following the fiscal year of the candidate in which the date of commercial operation of the
68 generating unit providing the additional project capacity occurs; and

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

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

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

78 (i) a levy mandated by the state for the state minimum school program under Section
79 53F-2-301 [~~or 53F-2-301.5, as applicable~~]; and

80 (ii) local levies for capital outlay and other purposes under Sections 53F-8-303,
81 53F-8-301, and 53F-8-302.

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

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

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

88 (A) an annual fee; or

89 (B) impact alleviation payments under contracts or determination orders provided for

90 in Sections 11-13-305 and 11-13-306.

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

96 (b) As used in this section, "tax rate," when applied in respect to a school district,
97 includes any assessment to be made by the school district under Subsection (2) or Section
98 63M-5-302.

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

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

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

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

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

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

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

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

116 (A) the project entity; and

117 (B) any county that:

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

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

- 121 (ii) The agreement described in Subsection (4)(b)(i):
- 122 (A) shall specify each year for which the fee base determined by the agreement shall be
- 123 used for purposes of an annual fee; and
- 124 (B) may not modify any provision of this chapter except the method by which the fee
- 125 base of a project is determined for purposes of an annual fee.
- 126 (iii) For purposes of an annual fee imposed by a taxing jurisdiction within a county
- 127 described in Subsection (4)(b)(i)(B), the fee base determined by the agreement described in
- 128 Subsection (4)(b)(i) shall be used for purposes of an annual fee imposed by that taxing
- 129 jurisdiction.
- 130 (iv) (A) If there is not agreement as to the fee base of a portion of a project for any
- 131 year, for purposes of an annual fee, the State Tax Commission shall determine the value of that
- 132 portion of the project for which there is not an agreement:
- 133 (I) for that year; and
- 134 (II) using the same measure of value as is used for taxable property in the state.
- 135 (B) The valuation required by Subsection (4)(b)(iv)(A) shall be made by the State Tax
- 136 Commission in accordance with rules made by the State Tax Commission.
- 137 (c) Payments of the annual fees shall be made from:
- 138 (i) the proceeds of bonds issued for the project; and
- 139 (ii) revenues derived by the project entity from the project.
- 140 (d) (i) The contracts of the project entity with the purchasers of the capacity, service, or
- 141 other benefits of the project whose tangible property is not exempted by Utah Constitution
- 142 Article XIII, Section 3, from the payment of ad valorem property tax shall require each
- 143 purchaser, whether or not located in the state, to pay, to the extent not otherwise provided for,
- 144 its share, determined in accordance with the terms of the contract, of these fees.
- 145 (ii) It is the responsibility of the project entity to enforce the obligations of the
- 146 purchasers.
- 147 (5) (a) The responsibility of the project entity to make payment of the annual fees is
- 148 limited to the extent that there is legally available to the project entity, from bond proceeds or
- 149 revenues, money to make these payments, and the obligation to make payments of the annual
- 150 fees is not otherwise a general obligation or liability of the project entity.
- 151 (b) No tax lien may attach upon any property or money of the project entity by virtue of

152 any failure to pay all or any part of an annual fee.

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

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

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

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

159 (A) is not a project entity; and

160 (B) owns an interest in a facility providing additional project capacity if the interest is
161 otherwise exempt from taxation pursuant to Utah Constitution, Article XIII, Section 3; and

162 (ii) for a public agency described in Subsection (6)(a)(i), shall be calculated in
163 accordance with Subsection (6)(b).

164 (b) The annual fee required under Subsection (6)(a) shall be an amount equal to the tax
165 rate or rates of the applicable taxing jurisdiction multiplied by the product of the following:

166 (i) the fee base or value of the facility providing additional project capacity located
167 within the jurisdiction;

168 (ii) the percentage of the ownership interest of the public agency in the facility; and

169 (iii) the portion, expressed as a percentage, of the public agency's ownership interest
170 that is attributable to the capacity, service, or other benefit from the facility that is sold,
171 including any subsequent sale, resale, or layoff, by the public agency to an energy supplier or
172 suppliers whose tangible property is not exempted by Utah Constitution, Article XIII, Section
173 3, from the payment of ad valorem property tax.

174 (c) A public agency paying the annual fee pursuant to Subsection (6)(a) shall have the
175 obligations, credits, rights, and protections set forth in Subsections (1) through (5) with respect
176 to its ownership interest as though it were a project entity.

177 (d) On or before March 1 of each year, a project entity that owns a project and that
178 provides any capacity, service, or other benefit to an energy supplier or a public agency shall
179 file an electronic report with the State Tax Commission that identifies:

180 (i) each energy supplier and public agency to which the project entity delivers capacity,
181 service, or other benefit; and

182 (ii) the amount of capacity, service, or other benefit delivered to each energy supplier

183 and public agency.

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

185 **11-13-310. Termination of impact alleviation contract.**

186 (1) If the project or any part of it or the facilities providing additional project capacity
187 or any part of them, or the output from the project or facilities providing additional project
188 capacity become subject, in addition to the requirements of Section 11-13-302, to ad valorem
189 property taxation or other payments in lieu of ad valorem property taxation, or other form of
190 tax equivalent payments to any candidate which is a party to an impact alleviation contract with
191 respect to the project or facilities providing additional project capacity or is receiving impact
192 alleviation payments or means with respect to the project or facilities providing additional
193 project capacity pursuant to a determination by the board, then the impact alleviation contract
194 or the requirement to make impact alleviation payments or provide means therefor pursuant to
195 the determination, as the case may be, shall, at the election of the candidate, terminate.

196 (2) In any event, each impact alleviation contract or determination order shall terminate
197 upon the project, or, in the case of facilities providing additional project capacity, those
198 facilities becoming subject to the provisions of Section 11-13-302, except that no impact
199 alleviation contract or agreement entered by a school district shall terminate because of in lieu
200 ad valorem property tax fees levied under Subsection 11-13-302(2)(b)(i) or because of ad
201 valorem property taxes levied under Section 53F-2-301 [~~or 53F-2-301.5, as applicable,~~] for the
202 state minimum school program.

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

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

210 (5) If the provisions of Section 11-13-302, or its successor, are held invalid by a court
211 of competent jurisdiction, and no ad valorem taxes or other form of tax equivalent payments
212 are payable, the remaining provisions of this chapter shall continue in operation without regard
213 to the commencement of commercial operation of the last generating unit of that project or of

214 facilities providing additional project capacity.

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

216 **53E-1-202. Reports to and action required of the Public Education**

217 **Appropriations Subcommittee.**

218 (1) In accordance with applicable provisions and Section [68-3-14](#), the following
219 recurring reports are due to the Public Education Appropriations Subcommittee:

220 (a) the State Superintendent's Annual Report by the state board described in Section
221 [53E-1-203](#);

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

224 (c) the report by the STEM Action Center Board described in Section [9-22-109](#),
225 including the information described in Section [9-22-113](#) on the status of the computer science
226 initiative.

227 (2) In accordance with applicable provisions, the Public Education Appropriations
228 Subcommittee shall complete [~~the following: (a) the review described in Section [53F-2-301](#) of~~
229 ~~the WPU value rate; and (b)]₂, if required, the study described in Section [53F-4-304](#) of
230 scholarship payments.~~

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

232 **53F-2-205. Powers and duties of state board to adjust Minimum School Program**
233 **allocations -- Use of remaining funds at the end of a fiscal year.**

234 (1) As used in this section:

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

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

239 (i) Basic Program;

240 (ii) Related to Basic Programs;

241 (iii) Voted and Board Levy Programs; or

242 (iv) Minimum School Program.

243 (2) Except as provided in Subsection (3) or (5), if the number of weighted pupil units
244 in a program is underestimated, the state board shall reduce the value of the weighted pupil unit

245 in that program so that the total amount paid for the program does not exceed the amount
246 appropriated for the program.

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

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

252 (b) to support the state guaranteed local levy increments as defined in Section
253 53F-2-601, if:

254 (i) local contributions to the voted local levy program or board local levy program are
255 overestimated; or

256 (ii) the number of weighted pupil units within school districts qualifying for a
257 guarantee is underestimated;

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

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

261 (e) to support a school district with a loss in student enrollment as provided in Section
262 53F-2-207.

263 (4) If local contributions from the minimum basic tax rate imposed under Section
264 53F-2-301 [~~or 53F-2-301.5, as applicable,~~] are overestimated, the state board shall reduce the
265 value of the weighted pupil unit for all programs within the basic state-supported school
266 program so the total state contribution to the basic state-supported school program does not
267 exceed the amount of state funds appropriated.

268 (5) If local contributions from the minimum basic tax rate imposed under Section
269 53F-2-301 [~~or 53F-2-301.5, as applicable,~~] are underestimated, the state board shall:

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

274 (b) reduce the state contribution to the basic state-supported school program so the
275 total cost of the basic state-supported school program does not exceed the total state and local

276 funds appropriated to the basic state-supported school program plus the local contributions
277 necessary to support the value of the weighted pupil unit in programs within the basic
278 state-supported school program in which the number of weighted pupil units is underestimated.

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

282 (a) local contributions to the voted local levy program or board local levy program are
283 overestimated; or

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

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

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

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

292 **53F-2-301. Minimum basic tax rate for a fiscal year that begins after July 1, 2022.**

293 (1) The provisions of this section are not in effect for a fiscal year that begins on July 1,
294 2018, 2019, 2020, 2021, or 2022.

295 (2) As used in this section:

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

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

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

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

301 ~~[(e)]~~ (b) "Commission" means the State Tax Commission.

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

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

306 (i) equal to the sum of:

307 (A) the school districts' contribution to the basic school program the previous fiscal
 308 year;

309 (B) the amount generated by the basic levy increment rate; and
 310 ~~[(C) the amount generated by the equity pupil tax rate; and]~~
 311 ~~[(D)]~~ (C) the eligible new growth, as defined in Section 59-2-924 and rules of the State
 312 Tax Commission multiplied by the minimum basic rate; and

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

314 ~~[(F)]~~ (d) "Minimum basic tax rate" means a tax rate certified by the commission that
 315 will generate an amount of revenue equal to the minimum basic local amount described in
 316 Subsection (3)(a).

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

320 ~~[(h) "WPU value amount" means an amount:]~~
 321 ~~[(i) that is equal to the product of:]~~
 322 ~~[(A) the WPU value increase limit; and]~~
 323 ~~[(B) the percentage share of local revenue to the cost of the basic school program in the~~
 324 ~~immediately preceding fiscal year; and]~~

325 ~~[(ii) set annually by the Legislature in Subsection (4)(a):]~~

326 ~~[(i) "WPU value increase limit" means the lesser of:]~~
 327 ~~[(i) the total cost to the basic school program to increase the WPU value over the WPU~~
 328 ~~value in the prior fiscal year; or]~~

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

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

333 (3) (a) The minimum basic local amount for the fiscal year that begins on July 1,
 334 ~~[2018, is \$408,073,800]~~ 2023, is \$580,960,800 in revenue statewide.

335 (b) The preliminary estimate of the minimum basic tax rate for a fiscal year that begins
 336 on July 1, ~~[2018, is .001498]~~ 2023, is .001089.

337 ~~[(4) (a) The WPU value amount for the fiscal year that begins on July 1, 2018, is~~

338 ~~[\$18,650,000 in revenue statewide.]~~

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

341 ~~[(5)]~~ (4) (a) On or before June 22, the commission shall certify ~~[for the year: (i)]~~ the
342 minimum basic tax rate~~;~~ and for the year.

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

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

347 (c) The certified minimum basic tax rate described in Subsection ~~[(5)(a)(i) and the~~
348 ~~certified WPU value rate described in Subsection (5)(a)(ii) are]~~ (4)(a) is based on property
349 values as of January 1 of the current calendar year, except personal property, which is based on
350 values from the previous calendar year.

351 ~~[(6)]~~ (5) (a) To qualify for receipt of the state contribution toward the basic school
352 program and as a school district's contribution toward the cost of the basic school program for
353 the school district, each local school board shall impose the ~~[combined]~~ minimum basic tax
354 rate.

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

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

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

363 ~~[(7)]~~ (6) (a) The state shall contribute to each school district toward the cost of the
364 basic school program in the school district an amount of money that is the difference between
365 the cost of the school district's basic school program and the sum of revenue generated by the
366 school district by the following:

367 ~~[(i) the combined basic rate;]~~

368 (i) the minimum basic tax rate; and

369 (ii) the basic levy increment rate~~;~~ and].

370 [~~iii) the equity pupil tax rate.~~]

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

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

377 ~~[(8)]~~ (7) Upon appropriation by the Legislature, the Division of Finance shall deposit
378 an amount equal to the proceeds generated statewide~~;~~ by the basic levy increment rate into
379 the Minimum Basic Growth Account created in Section 53F-9-302~~;~~].

380 ~~[(b) by the equity pupil tax rate into the Local Levy Growth Account created in Section~~
381 ~~53F-9-305; and]~~

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

384 ~~[(9) After July 1, 2021, but before November 30, 2022, the Public Education~~
385 ~~Appropriations Subcommittee:]~~

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

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

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

391 **53F-2-515. Federal Impact Aid Program -- Offset for underestimated allocations**
392 **from the Federal Impact Aid Program.**

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

399 (2) If at the end of a fiscal year the sum of the receipts of a school district from a

400 distribution from the Legislature pursuant to Subsection (1) plus the school district's allocations
401 from the Federal Impact Aid Program for that fiscal year exceeds the amount allocated to the
402 school district from the Federal Impact Aid Program for the next preceding fiscal year, the
403 excess funds are carried into the next succeeding fiscal year and become in that year a part of
404 the school district's contribution to the school district's basic program for operation and
405 maintenance under the state minimum school finance law.

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

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

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

414 **53F-9-302. Minimum Basic Growth Account.**

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

417 (2) There is created within the Income Tax Fund a restricted account known as the
418 "Minimum Basic Growth Account."

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

421 (4) The account shall earn interest.

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

423 (6) Upon appropriation by the Legislature:

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

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

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

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

431 **53F-9-305. Local Levy Growth Account.**

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

434 (2) There is created within the Income Tax Fund a restricted account known as the
435 "Local Levy Growth Account."

436 (3) The account shall be funded by:

437 (a) amounts deposited into the account in accordance with Section 53F-2-301 [or
438 ~~53F-2-301.5, as applicable~~]; and

439 (b) other legislative appropriations.

440 (4) The account shall earn interest.

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

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

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

444 **53F-9-306. Teacher and Student Success Account.**

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

447 (2) There is created within the Income Tax Fund a restricted account known as the
448 "Teacher and Student Success Account."

449 (3) The account shall be funded by[?] legislative appropriations.

450 [~~(a) amounts deposited into the account in accordance with Section 53F-2-301 or~~
451 ~~53F-2-301.5, as applicable; and]~~

452 [~~(b) other legislative appropriations.;~~]

453 (4) The account shall earn interest.

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

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

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

457 **53G-3-304. Property tax levies in new district and remaining district --**458 **Distribution of property tax revenue.**

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

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

462 (b) "New district" means a school district created under Section 53G-3-302 after May
463 10, 2011.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

493 (ii) the maximum rate authorized by voters for a voted local levy under Section
494 53F-8-301.

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

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

498 **59-2-919.1. Notice of property valuation and tax changes.**

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

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

503 (a) except as provided in Subsection (6), be sent to all owners of real property by mail
504 10 or more days before the day on which:

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

506 (ii) the taxing entity holds a public hearing on the proposed increase in the certified tax
507 rate;

508 (b) be on a form that is:

509 (i) approved by the commission; and

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

511 (c) contain for each property:

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

513 (ii) the taxable value of the property;

514 (iii) (A) the deadline for the taxpayer to make an application to appeal the valuation or
515 equalization of the property under Section 59-2-1004; or

516 (B) for property assessed by the commission, the deadline for the taxpayer to apply to
517 the commission for a hearing on an objection to the valuation or equalization of the property
518 under Section 59-2-1007;

519 (iv) for a property assessed by the commission, a statement that the taxpayer may not
520 appeal the valuation or equalization of the property to the county board of equalization;

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

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

523 and

524 (B) the dollar amount of the taxpayer's tax liability under the current rate;
525 (vi) the following, stated separately:
526 (A) the charter school levy described in Section 53F-2-703;
527 (B) the multicounty assessing and collecting levy described in Subsection
528 59-2-1602(2);
529 (C) the county assessing and collecting levy described in Subsection 59-2-1602(4); and
530 ~~[(D) for a fiscal year that begins before July 1, 2023, the combined basic rate as defined~~
531 ~~in Section 53F-2-301.5; and]~~
532 ~~[(E)]~~ (D) for a fiscal year that begins on or after July 1, 2023, the ~~[combined]~~ minimum
533 basic tax rate as defined in Section 53F-2-301;
534 (vii) the tax impact on the property;
535 (viii) the time and place of the required public hearing for each entity;
536 (ix) property tax information pertaining to:
537 (A) taxpayer relief;
538 (B) options for payment of taxes;
539 (C) collection procedures; and
540 (D) the residential exemption described in Section 59-2-103;
541 (x) information specifically authorized to be included on the notice under this chapter;
542 (xi) the last property review date of the property as described in Subsection
543 59-2-303.1(1)(c); and
544 (xii) other property tax information approved by the commission.
545 (3) If a taxing entity that is subject to the notice and hearing requirements of
546 Subsection 59-2-919(4) proposes a tax increase, the notice described in Subsection (1) shall
547 state, in addition to the information required by Subsection (2):
548 (a) the dollar amount of the taxpayer's tax liability if the proposed increase is approved;
549 (b) the difference between the dollar amount of the taxpayer's tax liability if the
550 proposed increase is approved and the dollar amount of the taxpayer's tax liability under the
551 current rate, placed in close proximity to the information described in Subsection (2)(c)(viii);
552 and
553 (c) the percentage increase that the dollar amount of the taxpayer's tax liability under
554 the proposed tax rate represents as compared to the dollar amount of the taxpayer's tax liability

555 under the current tax rate.

556 (4) For tax year 2022, the notice described in Subsection (1) shall state:

557 (a) the difference between:

558 (i) the dollar amount of the taxpayer's liability for the combined basic rate as defined in
559 Section 53F-2-301.5; and

560 (ii) the dollar amount that the taxpayer's liability for the combined basic rate as defined
561 in Section 53F-2-301.5 would have been if the combined basic rate were equal to the sum of
562 the minimum basic tax rate and the WPU value rate, as those terms are defined in Section
563 53F-2-301.5; and

564 (b) the percentage change between the amount described in Subsection (4)(a)(i) and the
565 amount described in Subsection (4)(a)(ii).

566 (5) For tax years 2022 through 2025, the notice described in Subsection (1) shall state:

567 (a) the difference between:

568 (i) the dollar amount of the taxpayer's liability for the rate imposed under Subsection
569 59-2-1602(2)(b)(i); and

570 (ii) the dollar amount of the taxpayer's liability if the rate imposed under Subsection
571 59-2-1602(2)(b)(i) were the certified revenue levy; and

572 (b) the percentage change between the amount described in Subsection (5)(a)(i) and the
573 amount described in Subsection (5)(a)(ii).

574 (6) (a) Subject to the other provisions of this Subsection (6), a county auditor may, at
575 the county auditor's discretion, provide the notice required by this section to a taxpayer by
576 electronic means if a taxpayer makes an election, according to procedures determined by the
577 county auditor, to receive the notice by electronic means.

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

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

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

586 30.

587 (d) An election or a revocation of an election under this Subsection (6):

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

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

593 (e) A county auditor shall provide the notice required by this section as provided in
594 Subsection (2), until a taxpayer makes a new election in accordance with this Subsection (6), if:

595 (i) the taxpayer revokes an election in accordance with Subsection (6)(c) to receive the
596 notice required by this section by electronic means; or

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

598 (f) A person is considered to be a taxpayer for purposes of this Subsection (6)
599 regardless of whether the property that is the subject of the notice required by this section is
600 exempt from taxation.

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

602 **59-2-926. Proposed tax increase by state -- Notice -- Contents -- Dates.**

603 If the state authorizes a tax rate that exceeds the [~~applicable~~] minimum basic tax rate
604 described in Section 53F-2-301 [~~or 53F-2-301.5~~], or authorizes a levy pursuant to Section
605 59-2-1602 that exceeds the certified revenue levy as defined in Section 59-2-102, the state shall
606 publish a notice no later than 10 days after the last day of the annual legislative general session
607 that meets the following requirements:

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

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

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

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

616 (i) shall be no less than 1/4 page in size and the type used shall be no smaller than 18

617 point, and surrounded by a 1/4-inch border;

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

620 (iii) shall be run once.

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

622 "NOTICE OF TAX INCREASE

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

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

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

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

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

636 (ii) \$_____ under the increased property tax revenues exclusive of eligible new
637 growth budgeted by the state of Utah."

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

639 **63I-2-211. Repeal dates: Title 11.**

640 Reserved

641 [~~(1) Subsections **11-13-302**(2)(a)(i) and (2)(b)(i), the language that states "or
642 **53F-2-301.5**, as applicable" is repealed July 1, 2023.]~~

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

645 [~~(3) Title 11, Chapter 53, Residential Property Reimbursement, is repealed on January
646 1, 2020.]~~

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

648 **63I-2-253. Repeal dates: Titles 53 through 53G.**

649 [~~(1)~~(a) Subsection ~~53B-2a-108~~(5), regarding exceptions to the composition of a
650 technical college board of trustees, is repealed July 1, 2022.]

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

654 [~~(2)~~] (1) Section ~~53B-6-105.7~~ is repealed July 1, 2024.

655 [~~(3)~~] (2) Section ~~53B-7-707~~ regarding performance metrics for technical colleges is
656 repealed July 1, 2023.

657 [~~(4)~~] (3) Section ~~53B-8-114~~ is repealed July 1, 2024.

658 [~~(5)~~] (4) The following provisions, regarding the Regents' scholarship program, are
659 repealed on July 1, 2023:

660 (a) in Subsection ~~53B-8-105~~(12), the language that states, "or any scholarship
661 established under Sections ~~53B-8-202~~ through ~~53B-8-205~~";

662 (b) Section ~~53B-8-202~~;

663 (c) Section ~~53B-8-203~~;

664 (d) Section ~~53B-8-204~~; and

665 (e) Section ~~53B-8-205~~.

666 [~~(6)~~] (5) Section ~~53B-10-101~~ is repealed on July 1, 2027.

667 [~~(7)~~] (6) Title 53B, Chapter 18, Part 14, Uintah Basin Air Quality Research Project, is
668 repealed July 1, 2023.

669 [~~(8)~~] (7) Subsection ~~53E-1-201~~(1)(s) regarding the report by the Educational
670 Interpretation and Translation Services Procurement Advisory Council is repealed July 1, 2024.

671 [~~(9)~~] (8) Section ~~53E-1-202.2~~, regarding a Public Education Appropriations
672 Subcommittee evaluation and recommendations, is repealed January 1, 2024.

673 [~~(10)~~] (9) Subsection ~~53E-10-309~~(7), related to the PRIME pilot program, is repealed
674 July 1, 2024.

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

678 [~~(12)~~] (10) Section ~~53F-2-209~~, regarding local education agency budgetary flexibility,

679 is repealed July 1, 2024.

680 ~~[(13)]~~ (11) Subsection 53F-2-301(1), relating to the years the section is not in effect, is
681 repealed July 1, 2023.

682 ~~[(14)]~~ (12) Section 53F-2-302.1, regarding the Enrollment Growth Contingency
683 Program, is repealed July 1, 2023.

684 ~~[(15)]~~ (13) Subsection 53F-2-314(4), relating to a one-time expenditure between the
685 at-risk WPU add-on funding and previous at-risk funding, is repealed January 1, 2024.

686 ~~[(16)]~~ (14) Section 53F-2-524, regarding teacher bonuses for extra work assignments,
687 is repealed July 1, 2024.

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

690 ~~[(18) Subsection 53F-4-401(3)(b), regarding a child enrolled or eligible for enrollment
691 in kindergarten, is repealed July 1, 2022.]~~

692 ~~[(19) In Subsection 53F-4-404(4)(c), the language that states "Except as provided in
693 Subsection (4)(d)" is repealed July 1, 2022.]~~

694 ~~[(20) Subsection 53F-4-404(4)(d) is repealed July 1, 2022.]~~

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

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

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

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

703 ~~[(25)]~~ (15) On July 1, 2023, when making changes in this section, the Office of
704 Legislative Research and General Counsel shall, in addition to the office's authority under
705 Subsection 36-12-12(3), make corrections necessary to ensure that sections and subsections
706 identified in this section are complete sentences and accurately reflect the office's perception of
707 the Legislature's intent.

708 Section 15. Section 63I-2-259 is amended to read:

709 **63I-2-259. Repeal dates: Title 59.**

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

712 [~~(2)~~ (1) Subsection ~~59-7-610~~(8), relating to claiming a tax credit in the same taxable
713 year as the targeted business income tax credit, is repealed December 31, 2024.

714 [~~(3)~~ (2) Subsection ~~59-7-614.10~~(5), relating to claiming a tax credit in the same
715 taxable year as the targeted business income tax credit, is repealed December 31, 2024.

716 [~~(4)~~ (3) Section ~~59-7-624~~ is repealed December 31, 2024.

717 [~~(5)~~ (4) Subsection ~~59-10-210~~(2)(b)(vi) is repealed December 31, 2024.

718 [~~(6)~~ (5) Subsection ~~59-10-1007~~(8), relating to claiming a tax credit in the same taxable
719 year as the targeted business income tax credit, is repealed December 31, 2024.

720 [~~(7)~~ (6) Subsection ~~59-10-1037~~(5), relating to claiming a tax credit in the same taxable
721 year as the targeted business income tax credit, is repealed December 31, 2024.

722 [~~(8)~~ (7) Section ~~59-10-1112~~ is repealed December 31, 2024.

723 Section 16. **Repealer.**

724 This bill repeals:

725 Section ~~53F-2-301.5~~, **Minimum basic tax rate for a fiscal year that begins on July 1,**
726 **2018, 2019, 2020, 2021, or 2022.**

727 Section 17. **Effective date.**

728 This bill takes effect on July 1, 2023.

729 Section 18. **Retrospective operation.**

730 This bill has retrospective operation for a taxable year beginning on or after January 1,
731 2023.

732 Section 19. **Coordinating S.B. 141 with S.B. 1 -- Superseding technical and**
733 **substantive amendments.**

734 If this S.B. 141 and S.B. 1, Public Education Base Budget Amendments, both pass and
735 become law, it is the intent of the Legislature that the amendments to Section ~~53F-2-301~~ in this
736 bill supersede the amendments to Section ~~53F-2-301~~ in S.B. 1 when the Office of Legislative
737 Research and General Counsel prepares the Utah Code database for publication.