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SCHOOL DISTRICT AMENDMENTS
2024 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Keith Grover
House Sponsor: Susan Pulsipher

LONG TITLE

General Description:

This bill amends and creates certain processes and requirements regarding school district creation.

Highlighted Provisions:

This bill:

- defines terms;
- amends and creates certain processes, timelines, and requirements regarding school district creation;
- requires a feasibility study before a school district creation;
- requires a feasibility study to be posted online and for public comment;
- allows for the use of a special election to elect certain school board members;
- allows for a legislative body to assist a new school district in securing funds for startup costs;
- increases the distribution amount of funds allowed for a new school district; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

- 20A-1-203**, as last amended by Laws of Utah 2020, Chapter 47
- 36-12-15**, as last amended by Laws of Utah 2023, Chapter 21
- 53G-3-102**, as renumbered and amended by Laws of Utah 2018, Chapter 3

- 28 **53G-3-202**, as last amended by Laws of Utah 2023, Chapter 252
29 **53G-3-203**, as renumbered and amended by Laws of Utah 2018, Chapter 3
30 **53G-3-303**, as renumbered and amended by Laws of Utah 2018, Chapter 3
31 **53G-3-304**, as last amended by Laws of Utah 2023, Chapter 7
32 **53G-3-305**, as last amended by Laws of Utah 2022, Chapter 265
33 **53G-3-306**, as last amended by Laws of Utah 2019, Chapter 293
34 **53G-3-307**, as last amended by Laws of Utah 2019, Chapter 293
35 **53G-3-308**, as last amended by Laws of Utah 2019, Chapter 293

36 ENACTS:

- 37 **53G-3-301.1**, Utah Code Annotated 1953
38 **53G-3-301.2**, Utah Code Annotated 1953
39 **53G-3-301.3**, Utah Code Annotated 1953
40 **53G-3-301.4**, Utah Code Annotated 1953

41 REPEALS AND REENACTS:

- 42 **53G-3-301**, as last amended by Laws of Utah 2023, Chapter 116
43 **53G-3-302**, as last amended by Laws of Utah 2019, Chapter 293

44

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

46 Section 1. Section **20A-1-203** is amended to read:

47 **20A-1-203 . Calling and purpose of special elections -- Two-thirds vote**
48 **limitations.**

- 49 (1) Statewide and local special elections may be held for any purpose authorized by law.
50 (2) (a) Statewide special elections shall be conducted using the procedure for regular
51 general elections.
52 (b) Except as otherwise provided in this title, local special elections shall be conducted
53 using the procedures for regular municipal elections.
54 (3) The governor may call a statewide special election by issuing an executive order that
55 designates:
56 (a) the date for the statewide special election; and
57 (b) the purpose for the statewide special election.
58 (4) The Legislature may call a statewide special election by passing a joint or concurrent
59 resolution that designates:
60 (a) the date for the statewide special election; and
61 (b) the purpose for the statewide special election.

- 62 (5) (a) The legislative body of a local political subdivision may call a local special
 63 election only for:
- 64 (i) a vote on a bond or debt issue;
 - 65 (ii) a vote on a voted local levy authorized by Section 53F-8-402 or 53F-8-301;
 - 66 (iii) an initiative authorized by Chapter 7, Part 5, Local Initiatives - Procedures;
 - 67 (iv) a referendum authorized by Chapter 7, Part 6, Local Referenda - Procedures;
 - 68 (v) if required or authorized by federal law, a vote to determine whether Utah's legal
 69 boundaries should be changed;
 - 70 (vi) a vote authorized or required by Title 59, Chapter 12, Sales and Use Tax Act;
 - 71 (vii) a vote to elect members to school district boards for a new school district and a [
 72 remaining] reorganized new school district, as defined in Section 53G-3-102,
 73 following the creation of a new school district under Section 53G-3-302;
 - 74 (viii) a vote on a municipality providing cable television services or public
 75 telecommunications services under Section 10-18-204;
 - 76 (ix) a vote to create a new county under Section 17-3-1;
 - 77 (x) a vote on a special property tax under Section 53F-8-402;
 - 78 (xi) a vote on the incorporation of a municipality in accordance with Section
 79 10-2a-210; or
 - 80 (xii) a vote on incorporation or annexation as described in Section 10-2a-404.
- 81 (b) The legislative body of a local political subdivision may call a local special election
 82 by adopting an ordinance or resolution that designates:
- 83 (i) the date for the local special election as authorized by Section 20A-1-204; and
 - 84 (ii) the purpose for the local special election.
- 85 (c) A local political subdivision may not call a local special election unless the ordinance
 86 or resolution calling a local special election under Subsection (5)(b) is adopted by a
 87 two-thirds majority of all members of the legislative body, if the local special
 88 election is for:
- 89 (i) a vote on a bond or debt issue as described in Subsection (5)(a)(i);
 - 90 (ii) a vote on a voted leeway or levy program as described in Subsection (5)(a)(ii); or
 - 91 (iii) a vote authorized or required for a sales tax issue as described in Subsection
 92 (5)(a)(vi).

93 Section 2. Section **36-12-15** is amended to read:

94 **36-12-15 . Office of the Legislative Auditor General established -- Qualifications**
 95 **-- Powers, functions, and duties -- Reporting -- Criminal penalty --**

96 **Employment.**

97 (1) As used in this section:

98 (a) "Entity" means:

99 (i) a government organization; or

100 (ii) a receiving organization.

101 (b) "Government organization" means:

102 (i) a state branch, department, or agency; or

103 (ii) a political subdivision, including a county, municipality, special district, special
104 service district, school district, interlocal entity as defined in Section 11-13-103,
105 or any other local government unit.106 (c) "Receiving organization" means an organization that receives public funds that is not
107 a government organization.108 (2) There is created the Office of the Legislative Auditor General as a permanent staff
109 office for the Legislature.110 (3) The legislative auditor general shall be a licensed certified public accountant or certified
111 internal auditor with at least seven years of experience in the auditing or public
112 accounting profession, or the equivalent, prior to appointment.113 (4) The legislative auditor general shall appoint and develop a professional staff within
114 budget limitations.115 (5) The Office of the Legislative Auditor General shall exercise the constitutional authority
116 provided in Utah Constitution, Article VI, Section 33.117 (6) Under the direction of the legislative auditor general, the Office of the Legislative
118 Auditor General shall:119 (a) conduct comprehensive and special purpose audits, examinations, investigations, or
120 reviews of entity funds, functions, and accounts;121 (b) prepare and submit a written report on each audit, examination, investigation, or
122 review to the Audit Subcommittee created in Section 36-12-8 and make the report
123 available to all members of the Legislature within 75 days after the audit,
124 examination, investigation, or review is completed;125 (c) monitor, conduct a risk assessment of, or audit any efficiency evaluations that the
126 legislative auditor general determines necessary, in accordance with Title 63J,
127 Chapter 1, Part 9, Government Performance Reporting and Efficiency Process, and
128 legislative rule;

129 (d) create, manage, and report to the Audit Subcommittee a list of high risk programs

- 130 and operations that:
- 131 (i) threaten public funds or programs;
- 132 (ii) are vulnerable to inefficiency, waste, fraud, abuse, or mismanagement; or
- 133 (iii) require transformation;
- 134 (e) monitor and report to the Audit Subcommittee the health of a government
- 135 organization's internal audit functions;
- 136 (f) make recommendations to increase the independence and value added of internal
- 137 audit functions throughout the state;
- 138 (g) implement a process to track, monitor, and report whether the subject of an audit has
- 139 implemented recommendations made in the audit report;
- 140 (h) establish, train, and maintain individuals within the office to conduct investigations
- 141 and represent themselves as lawful investigators on behalf of the office;
- 142 (i) establish policies, procedures, methods, and standards of audit work and
- 143 investigations for the office and staff;
- 144 (j) prepare and submit each audit and investigative report independent of any influence
- 145 external of the office, including the content of the report, the conclusions reached in
- 146 the report, and the manner of disclosing the legislative auditor general's findings;
- 147 (k) prepare and submit the annual budget request for the office; and
- 148 (l) perform other duties as prescribed by the Legislature.
- 149 (7) In conducting an audit, examination, investigation, or review of an entity, the Office of
- 150 the Legislative Auditor General may include a determination of any or all of the
- 151 following:
- 152 (a) the honesty and integrity of any of the entity's fiscal affairs;
- 153 (b) the accuracy and reliability of the entity's internal control systems and specific
- 154 financial statements and reports;
- 155 (c) whether or not the entity's financial controls are adequate and effective to properly
- 156 record and safeguard the entity's acquisition, custody, use, and accounting of public
- 157 funds;
- 158 (d) whether the entity's administrators have complied with legislative intent;
- 159 (e) whether the entity's operations have been conducted in an efficient, effective, and
- 160 cost efficient manner;
- 161 (f) whether the entity's programs have been effective in accomplishing intended
- 162 objectives; and
- 163 (g) whether the entity's management control and information systems are adequate and

164 effective.

165 (8) (a) If requested by the Office of the Legislative Auditor General, each entity that the
166 legislative auditor general is authorized to audit under Utah Constitution, Article VI,
167 Section 33, or this section shall, notwithstanding any other provision of law except as provided
168 in Subsection (8)(b), provide the office with access to information, materials, or resources the
169 office determines are necessary to conduct an audit, examination, investigation, or review,
170 including:

171 (i) the following in the possession or custody of the entity in the format identified by
172 the office:

173 (A) a record, document, and report; and

174 (B) films, tapes, recordings, and electronically stored information;

175 (ii) entity personnel; and

176 (iii) each official or unofficial recording of formal or informal meetings or
177 conversations to which the entity has access.

178 (b) To the extent compliance would violate federal law, the requirements of Subsection
179 (8)(a) do not apply.

180 (9) (a) In carrying out the duties provided for in this section and under Utah
181 Constitution, Article VI, Section 33, the legislative auditor general may issue a subpoena to
182 access information, materials, or resources in accordance with Chapter 14, Legislative
183 Subpoena Powers.

184 (b) The legislative auditor general may issue a subpoena, as described in Subsection
185 (9)(a), to a financial institution or any other entity to obtain information as part of an
186 investigation of fraud, waste, or abuse, including any suspected malfeasance,
187 misfeasance, or nonfeasance involving public funds.

188 (10) To preserve the professional integrity and independence of the office:

189 (a) no legislator or public official may urge the appointment of any person to the office;
190 and

191 (b) the legislative auditor general may not be appointed to serve on any board, authority,
192 commission, or other agency of the state during the legislative auditor general's term
193 as legislative auditor general.

194 (11) (a) The following records in the custody or control of the legislative auditor general
195 are protected records under Title 63G, Chapter 2, Government Records Access and
196 Management Act:

197 (i) records and audit work papers that would disclose information relating to

- 198 allegations of personal misconduct, gross mismanagement, or illegal activity of a
199 past or present governmental employee if the information or allegation cannot be
200 corroborated by the legislative auditor general through other documents or
201 evidence, and the records relating to the allegation are not relied upon by the
202 legislative auditor general in preparing a final audit report;
- 203 (ii) records and audit workpapers that would disclose the identity of a person who,
204 during the course of a legislative audit, communicated the existence of:
- 205 (A) unethical behavior;
- 206 (B) waste of public funds, property, or personnel; or
- 207 (C) a violation or suspected violation of a United States, Utah state, or political
208 subdivision law, rule, ordinance, or regulation, if the person disclosed on the
209 condition that the identity of the person be protected;
- 210 (iii) before an audit is completed and the final audit report is released, records or
211 drafts circulated to a person who is not an employee or head of an entity for
212 review, response, or information;
- 213 (iv) records that would disclose:
- 214 (A) an outline;
- 215 (B) all or part of an audit survey, audit risk assessment plan, or audit program; or
- 216 (C) other procedural documents necessary to fulfill the duties of the office; and
- 217 (v) requests for audits, if disclosure would risk circumvention of an audit.
- 218 (b) The provisions of Subsection (11)(a) do not prohibit the disclosure of records or
219 information to a government prosecutor or peace officer if those records or
220 information relate to a violation of the law by an entity or entity employee.
- 221 (c) A record, as defined in Section 63G-2-103, created by the Office of the Legislative
222 Auditor General in a closed meeting held in accordance with Section 52-4-205:
- 223 (i) is a protected record, as defined in Section 63G-2-103;
- 224 (ii) to the extent the record contains information:
- 225 (A) described in Section 63G-2-302, is a private record; or
- 226 (B) described in Section 63G-2-304, is a controlled record; and
- 227 (iii) may not be reclassified by the office.
- 228 (d) The provisions of this section do not limit the authority otherwise given to the
229 legislative auditor general to maintain the private, controlled, or protected record
230 status of a shared record in the legislative auditor general's possession or classify a
231 document as public, private, controlled, or protected under Title 63G, Chapter 2,

- 232 Government Records Access and Management Act.
- 233 (12) The legislative auditor general shall:
- 234 (a) be available to the Legislature and to the Legislature's committees for consultation on
235 matters relevant to areas of the legislative auditor general's professional competence;
- 236 (b) conduct special audits as requested by the Audit Subcommittee;
- 237 (c) report immediately to the Audit Subcommittee any apparent violation of penal
238 statutes disclosed by the audit of an entity and furnish to the Audit Subcommittee all
239 information relative to the apparent violation;
- 240 (d) report immediately to the Audit Subcommittee any apparent instances of
241 malfeasance or nonfeasance by an entity officer or employee disclosed by the audit of
242 an entity; and
- 243 (e) make any recommendations to the Audit Subcommittee with respect to the alteration
244 or improvement of the accounting system used by an entity.
- 245 (13) If the legislative auditor general conducts an audit of an entity that has previously been
246 audited and finds that the entity has not implemented a recommendation made by the
247 legislative auditor general in a previous audit, the legislative auditor general shall, upon
248 release of the audit:
- 249 (a) report immediately to the Audit Subcommittee that the entity has not implemented
250 that recommendation; and
- 251 (b) shall report, as soon as possible, that the entity has not implemented that
252 recommendation to an appropriate legislative committee designated by the Audit
253 Subcommittee.
- 254 (14) Before each annual general session, the legislative auditor general shall:
- 255 (a) prepare an annual report that:
- 256 (i) summarizes the audits, examinations, investigations, and reviews conducted by the
257 office since the last annual report; and
- 258 (ii) evaluate and report the degree to which an entity that has been the subject of an
259 audit has implemented the audit recommendations;
- 260 (b) include in the report any items and recommendations that the legislative auditor
261 general believes the Legislature should consider in the annual general session; and
- 262 (c) deliver the report to the Legislature and to the appropriate committees of the
263 Legislature.
- 264 (15) (a) If the chief officer of an entity has actual knowledge or reasonable cause to
265 believe that there is misappropriation of the entity's public funds or assets, or another

- 266 entity officer has actual knowledge or reasonable cause to believe that the chief
267 officer is misappropriating the entity's public funds or assets, the chief officer or,
268 alternatively, the other entity officer, shall immediately notify, in writing:
- 269 (i) the Office of the Legislative Auditor General;
 - 270 (ii) the attorney general, county attorney, or district attorney; and
 - 271 (iii) (A) for a state government organization, the chief executive officer;
272 (B) for a political subdivision government organization, the legislative body or
273 governing board; or
274 (C) for a receiving organization, the governing board or chief executive officer
275 unless the chief executive officer is believed to be misappropriating the funds
276 or assets, in which case the next highest officer of the receiving organization.
- 277 (b) As described in Subsection (15)(a), the entity chief officer or, if applicable, another
278 entity officer, is subject to the protections of Title 67, Chapter 21, Utah Protection of
279 Public Employees Act.
- 280 (c) If the Office of the Legislative Auditor General receives a notification under
281 Subsection (15)(a) or other information of misappropriation of public funds or assets
282 of an entity, the office shall inform the Audit Subcommittee.
- 283 (d) The attorney general, county attorney, or district attorney shall notify, in writing, the
284 Office of the Legislative Auditor General whether the attorney general, county
285 attorney, or district attorney pursued criminal or civil sanctions in the matter.
- 286 (16) (a) An actor commits interference with a legislative audit if the actor uses force,
287 violence, intimidation, or engages in any other unlawful act with a purpose to
288 interfere with:
- 289 (i) a legislative audit, examination, investigation, or review of an entity conducted by
290 the Office of the Legislative Auditor General; or
 - 291 (ii) the Office of the Legislative Auditor General's decisions relating to:
 - 292 (A) the content of the office's report;
 - 293 (B) the conclusions reached in the office's report; or
 - 294 (C) the manner of disclosing the results and findings of the office.
- 295 (b) A violation of Subsection (16)(a) is a class B misdemeanor.
- 296 (17) (a) Beginning July 1, 2020, the Office of the Legislative Auditor General may
297 require any current employee, or any applicant for employment, to submit to a
298 fingerprint-based local, regional, and criminal history background check as an
299 ongoing condition of employment.

- 300 (b) An employee or applicant for employment shall provide a completed fingerprint card
 301 to the office upon request.
- 302 (c) The Office of the Legislative Auditor General shall require that an individual
 303 required to submit to a background check under this Subsection (17) also provide a
 304 signed waiver on a form provided by the office that meets the requirements of
 305 Subsection 53-10-108(4).
- 306 (d) For a noncriminal justice background search and registration in accordance with
 307 Subsection 53-10-108(13), the office shall submit to the Bureau of Criminal
 308 Identification:
- 309 (i) the employee's or applicant's personal identifying information and fingerprints for
 310 a criminal history search of applicable local, regional, and national databases; and
 311 (ii) a request for all information received as a result of the local, regional, and
 312 nationwide background check.

313 (18) Subject to prioritization of the Legislative Audit Subcommittee, the Office of the
 314 Legislative Auditor General shall conduct a feasibility study under Section 53G-3-301.1,
 315 53G-3-301.2, 53G-3-301.3, or 53G-3-301.4.

316 Section 3. Section **53G-3-102** is amended to read:

317 **53G-3-102 . Definitions.**

318 [~~As used in this chapter:~~]

319 [(1) "~~Allocation date~~" means:]

320 [(a) ~~June 20 of the second calendar year after the local school board general election date~~
 321 ~~described in Subsection 53G-3-302(3)(a)(i); or~~

322 [(b) ~~another date that the transition teams under Section 53G-3-302 mutually agree to.~~]

323 [(2) "~~Canvass date~~" means the date of the canvass of an election under Subsection
 324 ~~53G-3-301(5) at which voters approve the creation of a new school district under~~
 325 ~~Section 53G-3-302.~~]

326 [(3) "~~Consolidation~~" means the merger of two or more school districts into a single
 327 administrative unit.]

328 [(4) "~~Creation election date~~" means the date of the election under Subsection 53G-3-301(9)
 329 at which voters approve the creation of a new school district under Section 53G-3-302.]

330 [(5) "~~Divided school district,~~" "~~existing district,~~" or "~~existing school district~~" means a
 331 school district from which a new district is created.]

332 [(6) "~~New district~~" or "~~new school district~~" means a school district created under Section
 333 ~~53G-3-301 or 53G-3-302.~~]

334 [(7) "Remaining district" or "remaining school district" means an existing district after the
335 creation of a new district. (8) "Restructuring" means the transfer of territory from one school
336 district to another school district.]

337 As used in this chapter:

338 (1) "Allocation date" means:

339 (a) July 1 of the second calendar year following the local school board general election
340 date or special election date as described in Section 53G-3-302; or

341 (b) another date to which the new local school board and reorganized school board agree.

342 (2) "Creation date" means the date on which voters approve the creation of a new school
343 district under Section 53G-3-301.1, 53G-3-301.2, 53G-3-301.3, or 53G-3-301.4.

344 (3) "Divided school district" means:

345 (a) an existing school district from which a new school district is created under Section
346 53G-3-301.1, 53G-3-301.2, 53G-3-301.3, or 53G-3-301.4; and

347 (b) an existing school district from which a reorganized new school district is created.

348 (4) (a) "Feasibility study" means a study:

349 (i) conducted by:

350 (A) a school district, municipal legislative body, or interlocal agreement
351 participants before July 31, 2024; or

352 (B) the Office of the Legislative Auditor General, subject to prioritization by the
353 Legislative Audit Subcommittee; and

354 (ii) to determine:

355 (A) the financial viability for a new school district and reorganized new school
356 district that is contained within the boundaries of a divided school district;

357 (B) the financial impact on a new school district and reorganized new school
358 district that is contained within the boundaries of a divided school district; and

359 (C) the impact of the tax burden on taxpayers within the boundaries of the
360 proposed new school district.

361 (5) "Interlocal agreement participant" means a public agency, as that term is defined in
362 Section 11-13-103, that enters into an agreement with one or more other public agencies
363 for the purpose described in and in accordance with Title 11, Chapter 13, Interlocal
364 Cooperation Act.

365 (6) "Isolated area" means an area that:

366 (a) is entirely within the boundaries of an existing school district;

367 (b) is contiguous to the proposed new school district;

368 (c) has a combined student population of fewer than 5,000 students; and
 369 (d) because of the creation of a new school district from the existing district in which the
 370 area is located, would become completely geographically isolated.

371 (7) "Municipality" means the same as that term is defined in Section 10-1-104.

372 (8) "New school district" means a school district created under Section 53G-3-301.1,
 373 53G-3-301.2, 53G-3-301.3, or 53G-3-301.4.

374 (9) "Reorganized new school district" means the remaining portion of the divided school
 375 district after the creation of a new school district under Subsection 53G-3-301.1,
 376 53G-3-301.2, 53G-3-301.3, or 53G-3-301.4.

377 Section 4. Section **53G-3-202** is amended to read:

378 **53G-3-202 . School districts independent of municipal and county governments --**
 379 **School district name -- Control of property.**

380 (1) (a) Each school district shall be controlled by its local school board and shall be
 381 independent of municipal and county governments.

382 (b) The name of each school district created after May 1, 2000, including a reorganized
 383 new school district, shall comply with [~~Subsection 17-50-103(2)(a).~~] Section
 384 17-50-103.

385 (2) The local school board shall have direction and control of all school property in the
 386 district and may enter into cooperative agreements with other local school boards to
 387 provide educational services that best utilize resources for overall operation of the public
 388 school system.

389 (3) (a) On or before 30 days following the day on which the creation of a new school
 390 district occurs under Section 53G-3-301.1, 53G-3-301.2, 53G-3-301.3, or
 391 53G-3-301.4, and in accordance with Section 67-1a-15, a new school district shall be
 392 registered as a limited purpose entity by:

393 (i) the municipal legislative body in which the boundaries for the new school district
 394 is entirely located; or

395 (ii) the legislative body of interlocal agreement participants in which the new school
 396 district is located.

397 [(a)] (b) Each school district shall register and maintain the school district's registration
 398 as a limited purpose entity[;] in accordance with Section 67-1a-15.

399 [(b)] (c) A school district that fails to comply with [~~Subsection~~] Subsections (3)(a) and (b)
 400 or Section 67-1a-15 is subject to enforcement by the state auditor[;] in accordance
 401 with Section 67-3-1.

402 Section 5. Section **53G-3-203** is amended to read:

403 **53G-3-203 . Filing of notice and plat relating to school district boundary changes**
 404 **including creation, consolidation, division, or dissolution -- Recording**
 405 **requirements -- Effective date.**

406 (1) The county legislative body shall[;]

407 [~~(a)~~] ,within 30 days [~~after the~~] following the day on which the creation, consolidation,
 408 division, or dissolution of a school district occurs, file with the lieutenant governor:

409 [~~(i)~~] (a) a copy of a notice of an impending boundary action, as defined in Section
 410 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and

411 [~~(ii)~~] (b) except in the case of a dissolution, a copy of an approved final local entity plat,
 412 as defined in Section 67-1a-6.5[; and] .

413 [~~(b)~~] (2) The county legislative body, upon the lieutenant governor's issuance of a certificate
 414 of boundary action under Section 67-1a-6.5, shall:

415 [~~(i)~~] (a) if the school district is or, in the case of dissolution, was located within the
 416 boundary of a single county, submit to the recorder of that county:

417 [~~(A)~~] (i) the original:

418 [~~(I)~~] (A) notice of an impending boundary action;

419 [~~(II)~~] (B) certificate of boundary action; and

420 [~~(III)~~] (C) except in the case of dissolution, approved final local entity plat; and

421 [~~(B)~~] (ii) if applicable, a certified copy of the resolution approving the boundary
 422 action; or

423 [~~(ii)~~] (b) if the school district is or, in the case of a dissolution, was located within the
 424 boundaries of more than a single county:

425 [~~(A)~~] (i) submit to the recorder of one of those counties:

426 [~~(I)~~] (A) the original of the documents listed in [~~Subsections (1)(b)(i)(A)(I), (II),~~
 427 ~~and (III)] Subsection (2)(a)(i); and~~

428 [~~(II)~~] (B) if applicable, a certified copy of the resolution approving the boundary
 429 action; and

430 [~~(B)~~] (ii) submit to the recorder of each other county:

431 [~~(I)~~] (A) a certified copy of the documents listed in [~~Subsections (1)(b)(i)(A)(I),~~
 432 ~~(II), and (III)] Subsection (2)(a)(i); and~~

433 [~~(II)~~] (B) if applicable, a certified copy of the resolution approving the boundary
 434 action.

435 [~~(2)~~] (3) (a) Upon the lieutenant governor's issuance of the certificate under Section

436 67-1a-6.5, the creation, consolidation, division, dissolution, or other change affecting
 437 the boundary of a new or ~~[existing]~~ reorganized new school district that was the
 438 subject of the action has legal effect.

439 (b) (i) As used in this Subsection ~~[(2)(b)]~~ (3)(b), "affected area" means:

440 (A) in the case of the creation of a school district, the area within the school
 441 district's boundary;

442 (B) in the case of the consolidation of multiple school districts, the area within the
 443 boundary of each school district that is consolidated into another school district;

444 (C) in the case of the division of a school district, the area within the boundary of
 445 the school district created by the division; and

446 (D) in the case of an addition to an existing school district, the area added to the
 447 school district.

448 (ii) ~~[The]~~ For purposes of assessing property within the school district, the effective
 449 date of a boundary action, as that term is defined in Section 17-23-20, [for
 450 purposes of assessing property within the school district] is governed by Section
 451 59-2-305.5.

452 ~~[(iii) Until the documents listed in Subsection (1)(b) are recorded in the office of the~~
 453 ~~recorder of each county in which the property is located, a school district may not~~
 454 ~~levy or collect a property tax on property within the affected area]~~

455 (iii) A school district may not levy or collect a property tax on property within the
 456 affected area until the county legislative body records the documents listed in
 457 Subsection (2) in the office of the recorder of each county in which the property is
 458 located.

459 Section 6. Section **53G-3-301** is repealed and reenacted to read:

460 **53G-3-301 . Creation of new school district -- Initiation of process -- Procedures**
 461 **to be followed.**

462 (1) A new school district may be created from one or more existing school districts, as
 463 provided in this chapter.

464 (2) The process to create a new school district may be initiated:

465 (a) through a citizens' initiative petition in accordance with Section 53G-3-301.1;

466 (b) at the request of the local school board of the divided district or districts to be
 467 affected by the creation of the new district in accordance with Section 53G-3-301.2;

468 (c) at the request of a municipality within the boundaries of the school district in
 469 accordance with Section 53G-3-301.3; or

- 470 (d) at the request of interlocal agreement participants in accordance with Section
471 53G-3-301.4.
- 472 (3) Except as provided in Sections 53G-3-301.3 and 53G-3-301.4, a request or petition
473 under Subsection (2) may not form a new school district unless the new school district
474 boundaries:
- 475 (a) are contiguous;
- 476 (b) do not completely surround or otherwise completely geographically isolate a portion
477 of the existing school district that is not part of the proposed new school district from
478 the remaining part of that existing school district; or
- 479 (c) include the entire boundaries of each participant municipality or town.
- 480 (4) For each new school district, each county legislative body shall comply with the notice
481 and plat filing requirements of Section 53G-3-203.
- 482 (5) If a new school district is created, the new district shall reimburse the reorganized new
483 district's documented costs to study and implement the proposal in proportion to the
484 student population of each school district.
- 485 (6) An inadequacy of a feasibility study, as defined in Section 53G-3-102, may not be the
486 basis of a legal action or other challenge to:
- 487 (a) an election for voter approval of the creation of a new school district; or
- 488 (b) the creation of the new school district.
- 489 (7) Notwithstanding the creation of a new district as provided in this part:
- 490 (a) a new school district and a reorganized new school district may not begin to provide
491 educational services to the area within the new school district and reorganized new
492 school district until July 1 of the second calendar year following the local school
493 board election date as described in Section 53G-3-301.1, 53G-3-301.2, 53G-3-301.3,
494 or 53G-3-301.4; and
- 495 (b) the divided school district shall continue, until the time specified in Subsection
496 (7)(a), to provide educational services within the entire area covered by the divided
497 school district.
- 498 (8) A new school district and a reorganized new school district shall enter into a shared
499 services agreement that permits students residing in each new school district access to
500 attend a school that serves students with disabilities within or outside of each school
501 district boundary:
- 502 (a) for up to five years;
- 503 (b) for actual costs of services provided to students; and

504 (c) without affecting services provided to other students.
505 (9) The process described in Subsection (2) may not be initiated more than once during any
506 two-year period.

507 Section 7. Section **53G-3-301.1** is enacted to read:

508 **53G-3-301.1 . Creation of a new school district -- Citizens' initiative petition --**
509 **Procedures to be followed.**

510 (1) Citizens may initiate the creation of a new school district through a citizens' initiative
511 petition in accordance with this section and Section 53G-3-301.

512 (2) (a) The county clerk shall ensure that an initiative petition submitted under this
513 section is signed by registered voters residing within the geographical boundaries of
514 the proposed new school district in an amount equal to at least 10% of all votes cast
515 within the geographic boundaries of the proposed new school district for all
516 candidates for president of the United States at the last regular general election at
517 which a president of the United States was elected.

518 (b) The sponsors of a petition submitted under Subsection (2)(a) shall file a petition with
519 the clerk of each county in which any part of the proposed new school district is
520 located.

521 (c) The petition sponsors shall ensure that the petition described in Subsection (2)(b):

522 (i) indicates the typed or printed name and current residence address of each
523 governing board member making a request, or registered voter signing a petition,
524 as the case may be;

525 (ii) describes the proposed new school district boundaries; and

526 (iii) designates up to five signers of the petition or request as sponsors, designating
527 one as the contact sponsor, with the mailing address and telephone number of each.

528 (3) (a) (i) A signer of a petition described in Subsection (1) may withdraw or, once
529 withdrawn, reinstate the signer's signature by filing a written statement requesting
530 for withdrawal or reinstatement with the county clerk no later than three business
531 days after the day on which the petition is filed with the county clerk.

532 (ii) A statement described in Subsection (3)(a)(i) shall comply with the requirements
533 described in Subsection 20A-1-1003(2).

534 (iii) The county clerk shall use the procedures described in Subsection 20A-1-1003
535 (3) to determine whether to remove or reinstate an individual's signature from a
536 petition after receiving a timely, valid statement.

537 (b) The county clerk shall use the procedures described in Section 20A-1-1002 to

538 determine whether the petition has been signed by the required number of registered
539 voters residing within the geographical boundaries of the proposed new school
540 district.

541 (4) Within 14 days after the day on which a petition described in Subsection (1) is filed, the
542 clerk of each county with which the request or petition is filed shall:

543 (a) determine whether the petition complies with Subsections (2) and (3), as applicable,
544 and Section 53G-3-301; and

545 (b) (i) if the county clerk determines that the request or petition complies with the
546 applicable requirements:

547 (A) certify the petition and deliver the certified petition to the county legislative
548 body; and

549 (B) mail or deliver written notification of the certification to the contact sponsor;
550 or

551 (ii) if the county clerk determines that the petition fails to comply with any of the
552 applicable requirements, reject the petition and notify the contact sponsor in
553 writing of the rejection and reasons for the rejection.

554 (5) (a) If the county clerk fails to certify or reject a petition within the time specified in
555 Subsection (4), the petition is considered to be certified.

556 (b) If the county clerk rejects a petition, the individual who submitted the petition may
557 amend the petition to correct the deficiencies for which the county clerk rejected the
558 petition and refile the petition.

559 (6) Within 10 days after the day on which a county legislative body receives a certified
560 petition as described in Subsection (4) or (5), the county legislative body shall request
561 that the Legislative Audit Subcommittee consider prioritizing a feasibility study, as that
562 term is defined in Section 53G-3-102.

563 (7) (a) The county legislative body shall:

564 (i) provide for a 45-day public comment period to begin on the day the county
565 legislative body receives the study under Subsection (6); and

566 (ii) hold at least two public hearings, as defined in Section 10-9a-103, on the study
567 and recommendations.

568 (b) Within five business days after the day on which the public comment period ends,
569 the legislative body of each county with which a petition is filed shall vote on the
570 creation of the proposed new school district.

571 (c) A county legislative body approves an initiative proposal if a majority of the

- 572 members of the legislative body vote in favor of the proposal.
- 573 (8) (a) If each county legislative body approves an initiative proposal under this section,
 574 each county legislative body shall submit the proposal to the county clerk of each
 575 county described in Subsection (2)(b) for a vote:
- 576 (i) by the legal voters of each existing school district the proposal affects;
 577 (ii) in accordance with the procedures and requirements applicable to a regular
 578 general election under Title 20A, Election Code; and
 579 (iii) at the next regular general election or municipal general election, whichever is
 580 first.
- 581 (b) A new school district is created if a majority of the legal voters within the proposed
 582 new school district and each existing school district voting on the proposal vote in
 583 favor of the creation of the new district.

584 Section 8. Section **53G-3-301.2** is enacted to read:

585 **53G-3-301.2 . Creation of a new school district -- Request by a local school board**
 586 **of an existing district -- Procedures to be followed.**

- 587 (1) A local school board of an existing district that the creation of a new school district
 588 would affect may initiate the process to create a new school district in accordance with
 589 this section and Section 53G-3-301.
- 590 (2) (a) To initiate the school district creation process under Subsection (1), the local
 591 school board shall file a request with the clerk of each county in which any part of the
 592 proposed new school district is located.
- 593 (b) The local school board shall ensure that the request described in Subsection (2)(a):
- 594 (i) indicates the typed or printed and current residence address of each governing
 595 board member making a request;
- 596 (ii) describes the proposed new school district boundaries; and
- 597 (iii) designates up to five signers of the request as sponsors, including one as the
 598 contact sponsor, with the mailing address and telephone number of each.
- 599 (3) Within five business days after the day on which a request described in Subsection (2) is
 600 filed, the clerk of each county with which the request is filed shall:
- 601 (a) determine whether the request complies with Subsection (2) and Section 53G-3-301;
 602 and
- 603 (b) (i) if the county clerk determines that the request complies with the applicable
 604 requirements:
- 605 (A) certify the request and deliver the certified request to the county legislative

- 606 body; and
- 607 (B) mail or deliver written notification of the certification to the contact sponsor;
- 608 or
- 609 (ii) if the county clerk determines that the request fails to comply with any of the
- 610 applicable requirements, reject the request and notify the contact sponsor in
- 611 writing of the rejection and reasons for the rejection.
- 612 (4) (a) If the county clerk fails to certify or reject a request within the time specified in
- 613 Subsection (3), the request is considered to be certified.
- 614 (b) If the county clerk rejects a request, the local school board that submitted the request
- 615 may amend the request to correct the deficiencies for which the county clerk rejected
- 616 the request and refile the request.
- 617 (5) (a) Within 14 days after the day the local school board receives certification as
- 618 described in Subsection (3) or (4), the local school board shall request that the
- 619 Legislative Audit Subcommittee consider prioritizing a feasibility study, as that term
- 620 is defined in Section 53G-3-102.
- 621 (b) For the year 2024, the local school board may use a feasibility study conducted
- 622 before July 31, 2024, if:
- 623 (i) the feasibility study contains the determinations described in Section 53G-3-102;
- 624 and
- 625 (ii) the local school board receives a report and recommendation regarding the
- 626 feasibility study in a public meeting.
- 627 (6) (a) The local school board shall:
- 628 (i) provide for a 45-day public comment period to begin on the day the local school
- 629 board receives the report under Subsection (5); and
- 630 (ii) hold at least two public hearings, as defined in Section 10-9a-103, on the report
- 631 and recommendations.
- 632 (b) Within 14 days after the day on which the public comment period ends, the local
- 633 school board shall vote on the creation of the proposed new school district.
- 634 (c) A local school board approves a proposal if a majority of the local school board
- 635 members vote in favor of the proposal.
- 636 (d) Within five business days after the day on which the local school board approves a
- 637 proposal, the local school board shall notify the legislative body of each county
- 638 described in Subsection (2)(a).
- 639 (7) (a) The legislative body of each county described in Subsection (2) shall submit the

640 proposal to the county clerk to be voted on:

- 641 (i) by the legal voters of each existing school district the proposal affects;
 642 (ii) in accordance with the procedures and requirements applicable to a regular
 643 general election under Title 20A, Election Code; and
 644 (iii) at the next regular general election or municipal general election, whichever is
 645 first.
- 646 (b) A new school district is created if a majority of the legal voters within the proposed
 647 new school district and each existing school district voting on the proposal vote in
 648 favor of the creation of the new district.

649 Section 9. Section **53G-3-301.3** is enacted to read:

650 **53G-3-301.3 . Creation of a new school district -- Request by a municipality --**
 651 **Procedures to be followed.**

- 652 (1) A municipality located within the boundaries of a school district may initiate the
 653 process to create a new school district in accordance with this section and Section
 654 53G-3-301.
- 655 (2) (a) To initiate the school district creation process under Subsection (1), a
 656 municipality shall file a request with the clerk of each county in which any part of the
 657 proposed new school district is located.
- 658 (b) The filing municipality shall ensure that the request described in Subsection (2)(a):
 659 (i) indicates the typed or printed and current residence address of each governing
 660 board member making a request;
 661 (ii) describes the proposed new school district boundaries; and
 662 (iii) designates up to five signers of the request as sponsors, including one as the
 663 contact sponsor, with the mailing address and telephone number of each.
- 664 (3) Within five business days after the day on which a request described in Subsection (2) is
 665 filed, the clerk of each county with which the request is filed shall:
- 666 (a) determine whether the request complies with Subsection (2) and Section 53G-3-301;
 667 and
- 668 (b) (i) if the county clerk determines that the request complies with the applicable
 669 requirements:
- 670 (A) certify the request and deliver the certified request to the municipality and
 671 each county legislative body; and
- 672 (B) mail or deliver written notification of the certification to the contact sponsor;
 673 or

- 674 (ii) if the county clerk determines that the request fails to comply with any of the
675 applicable requirements, reject the request and notify the contact sponsor in
676 writing of the rejection and reasons for the rejection.
- 677 (4) (a) If the county clerk fails to certify or reject a request within the time specified in
678 Subsection (3), the request is considered to be certified.
- 679 (b) If the county clerk rejects a request, the municipality that submitted the request may
680 amend the request to correct the deficiencies for which the county clerk rejected the
681 request and refile the request.
- 682 (5) (a) Within 10 days after the day on which a municipal legislative body receives a
683 certification as described in Subsection (3) or (4), a municipal legislative body shall
684 request that the Legislative Audit Subcommittee consider prioritizing a feasibility
685 study, as that term is defined in Section 53G-3-102.
- 686 (b) For the year 2024, the municipal legislative body may use a feasibility study that the
687 municipal legislative body conducted before July 31, 2024, if:
- 688 (i) the feasibility study contains the determinations described in Section 53G-3-102;
689 and
- 690 (ii) the municipality receives a report and recommendation regarding the feasibility
691 study in a public meeting.
- 692 (6) (a) The municipal legislative body shall:
- 693 (i) provide for a 45-day public comment period to begin on the day the study is
694 presented to the municipal legislative body under Subsection (5); and
- 695 (ii) hold at least two public hearings, as defined in Section 10-9a-103, on the study
696 and recommendation.
- 697 (b) Within 14 days after the day on which the public comment period ends, the
698 municipal legislative body shall vote on the creation of the proposed new school
699 district.
- 700 (c) A municipal legislative body approves a proposal if a majority of the municipal
701 legislative body vote in favor of the proposal.
- 702 (d) Within five business days after the day on which the municipal legislative body
703 approves a proposal, the municipal legislative body shall notify the legislative body
704 of each county described in Subsection (2)(a).
- 705 (7) (a) The legislative body of each county described in Subsection (2) shall submit the
706 proposal to the county clerk to be voted on:
- 707 (i) by the legal voters residing within the proposed new school district boundaries;

- 708 (ii) in accordance with the procedures and requirements applicable to a regular
 709 general election under Title 20A, Election Code; and
 710 (iii) at the next regular general election or municipal general election, whichever is
 711 first.
- 712 (b) A new school district is created if a majority of the legal voters within the proposed
 713 new school district boundaries voting on the proposal vote in favor of the creation of
 714 the new district.
- 715 (8) Nothing in this section prevents a municipality from assisting the new school district or
 716 reorganized new school district, including by:
- 717 (a) entering into a loan agreement with the new school district or reorganized new
 718 school district; or
- 719 (b) assisting the new school district or reorganized new school district in securing a line
 720 of credit.

721 Section 10. Section **53G-3-301.4** is enacted to read:

722 **53G-3-301.4 . Creation of a new school district -- By interlocal agreement**
 723 **participants -- Procedures to follow.**

- 724 (1) Interlocal agreement participants may initiate the process to create a new school district
 725 in accordance with this section and with Section 53G-3-301.
- 726 (2) (a) By a majority vote of each legislative body, the legislative body of a
 727 municipality, together with at least one other municipality, may enter into an
 728 interlocal agreement in accordance with Title 11, Chapter 13, Interlocal Cooperation
 729 Act, for the purpose of submitting for voter approval a measure to create a new
 730 school district if:
- 731 (i) except as provided in Subsection (3), the new school district boundaries comply
 732 with the requirements of Section 53G-3-301; and
- 733 (ii) the combined population within the proposed new school district of the interlocal
 734 agreement participants is at least 80% of the total population of the proposed new
 735 school district.
- 736 (b) A county may only participate in an interlocal agreement under this Subsection (2)
 737 for the unincorporated areas of the county.
- 738 (c) Boundaries of a new school district created under this section may include:
- 739 (i) a portion of one or more existing school districts; and
- 740 (ii) a portion of the unincorporated area of a county.
- 741 (3) (a) As used in this Subsection (3), "municipality's school district" means the school

- 742 district that includes all of the municipality in which the isolated area is located
743 except the isolated area, as that term is defined in Section 53G-3-102.
- 744 (b) Notwithstanding Subsection 53G-3-301(3), a municipality may be a participant in an
745 interlocal agreement under Subsection (2)(a) with respect to some but not all of the
746 area within the municipality's boundaries if:
- 747 (i) the portion of the municipality proposed to be included in the new school district
748 would, if not included, become an isolated area upon the creation of the new
749 school district; or
- 750 (ii) (A) the portion of the municipality proposed to be included in the new school
751 district is within the boundaries of the same school district that includes the
752 other interlocal agreement participants; and
- 753 (B) the portion of the municipality proposed to be excluded from the new school
754 district is within the boundaries of a school district other than the school
755 district that includes the other interlocal agreement participants.
- 756 (c) (i) Notwithstanding Subsection 53G-3-301(3), interlocal agreement participants
757 may submit a proposal to the legal voters residing within the proposed new school
758 district boundaries to create a new school district in accordance with an interlocal
759 agreement under Subsection (2)(a), even though the new school district
760 boundaries would create an isolated area, as that term is defined in Section
761 53G-3-102, if:
- 762 (A) the potential isolated area is contiguous to one or more of the interlocal
763 agreement participants;
- 764 (B) the interlocal participants submit a written request to the municipality in
765 which the potential isolated area is located, requesting the municipality to enter
766 into an interlocal agreement under Subsection (2)(a) that proposes to submit for
767 voter approval a measure to create a new school district that includes the
768 potential isolated area; and
- 769 (C) the municipality, to which the interlocal agreement participants submitted a
770 request under Subsection (3)(c)(i)(B), did not respond to the written request
771 within 30 days after the day on which the request was submitted.
- 772 (ii) Each municipality receiving a request under Subsection (3)(c)(i) shall hold at
773 least two public hearings to allow input from the public and affected school
774 districts regarding whether or not the municipality should enter into an interlocal
775 agreement with respect to the potential isolated area.

- 776 (iii) A municipal legislative body approves a proposal to enter into an interlocal
777 agreement with respect to the potential isolated area if a majority of the municipal
778 legislative body votes in favor of the proposal.
- 779 (d) (i) The isolated area described in this Subsection (3) shall, on July 1 of the second
780 calendar year following the local school board general election date described in
781 Section 53G-3-302, become part of the municipality's school district.
- 782 (ii) The divided district shall continue to provide educational services to the isolated
783 area until July 1 of the second calendar year following the local school board
784 general election date described in Section 53G-3-302.
- 785 (4) (a) To initiate the school district creation process under Subsection (1), interlocal
786 agreement participants shall file a request with the clerk of each county in which any
787 part of the proposed new school district is located.
- 788 (b) The filing interlocal agreement participants shall ensure that the request described in
789 Subsection (4)(a):
- 790 (i) indicates the typed or printed and current residence address of each governing
791 board member making a request;
- 792 (ii) describes the proposed new school district boundaries; and
- 793 (iii) designates up to five signers of the request as sponsors, including as the contact
794 sponsor, with the mailing address and telephone number of each.
- 795 (5) Within five business days after the day on which a request described in Subsection
796 (4)(a) is filed, the clerk of each county with which the request is filed shall:
- 797 (a) determine whether the request complies with this section and Section 53G-3-301; and
- 798 (b) (i) if the county clerk determines that the request complies with the applicable
799 requirements:
- 800 (A) certify the request and deliver the certified request to the legislative bodies of
801 the interlocal agreement participants; and
- 802 (B) mail or deliver written notification of the certification to the contact sponsor;
803 or
- 804 (ii) if the county clerk determines that the request fails to comply with any of the
805 applicable requirements, reject the request and notify the contact sponsor in
806 writing of the rejection and reasons for the rejection.
- 807 (6) (a) If the county clerk fails to certify or reject a request within the time specified in
808 Subsection (5), the request is considered to be certified.
- 809 (b) (i) If the county clerk rejects a request, the interlocal agreement participants that

- 810 submitted the request may amend the request to correct the deficiencies for which
811 the county clerk rejected the request, and refile the request.
- 812 (7) (a) Within 30 days after the day on which the contact sponsor receives certification
813 as described in Subsection (5) or (6), the contact sponsor shall request that the
814 Legislative Audit Subcommittee consider prioritizing a feasibility study, as that term
815 is defined in Section 53G-3-102.
- 816 (b) For the year 2024, the interlocal agreement participants may use a feasibility study
817 that interlocal agreement participants conducted before July 31, 2024, if:
- 818 (i) the feasibility study contains the determinations described in Section 53G-3-102;
819 and
- 820 (ii) the legislative bodies of the interlocal agreement participants receive a report and
821 recommendation regarding the feasibility study in a public meeting.
- 822 (8) (a) The legislative bodies of the interlocal agreement participants shall:
- 823 (i) provide for a 45-day public comment period to begin on the day on which the
824 legislative bodies of the interlocal agreement participants receive the report under
825 Subsection (7); and
- 826 (ii) hold at least two public hearings, as defined in Section 10-9a-103, on the study
827 and recommendation.
- 828 (b) Within 14 days after the day on which the public comment period ends, the
829 legislative bodies of the interlocal agreement participants shall vote on the creation of
830 the proposed new school district.
- 831 (c) The interlocal agreement participants approve a proposal if a majority of each of the
832 legislative bodies of the interlocal agreement participants' members vote in favor of
833 the proposal.
- 834 (9) (a) Within five business days after the day on which the interlocal agreement
835 participants approve a proposal, the interlocal agreement participants shall notify the
836 legislative body of each county described in Subsection (4)(a).
- 837 (b) The legislative body of each county described in Subsection (4) shall submit the
838 proposal to the respective clerk of each county to be voted on:
- 839 (i) by the legal voters residing within the proposed new school district boundaries;
840 (ii) in accordance with the procedures and requirements applicable to a regular
841 general election under Title 20A, Election Code; and
- 842 (iii) at the next regular general election or municipal general election, whichever is
843 first.

844 (10) A new school district is created if a majority of the legal voters residing within the
 845 proposed new district boundaries voting on the proposal vote in favor of the creation of
 846 the new school district.

847 (11) Nothing in this section prevents an interlocal agreement participant from assisting the
 848 new school district or reorganized new school district, including by:

849 (a) entering into a loan agreement with the new school district or reorganized new
 850 school district; or

851 (b) assisting the new school district or reorganized new school district in securing a line
 852 of credit.

853 Section 11. Section **53G-3-302** is repealed and reenacted to read:

854 **53G-3-302 . Election of local school board members -- Allocation of assets and**
 855 **liabilities -- Startup costs -- Transfer of title.**

856 (1) (a) If voters approve a proposal to create a new school district under this part:

857 (i) the legislative body of the county in which the new school district and reorganized
 858 new school district are located shall hold an election at the next general election,
 859 or at a special election in accordance with Section 20A-1-204, to elect:

860 (A) members to the local school board of the divided school district whose terms
 861 are expiring;

862 (B) all members to the local school board of the new school district; and

863 (C) all members to the local school board of the reorganized new school district;

864 (ii) the new school district and reorganized new school district shall divide the assets
 865 and liabilities of the divided school district between the new school district and
 866 the reorganized new school district as provided in Subsection (3) and Section
 867 53G-3-307;

868 (iii) transferred employees shall be treated in accordance with Sections 53G-3-205
 869 and 53G-3-308;

870 (iv) an individual residing within the boundaries of a new school district or
 871 reorganized new school district at the time the new school district is created may,
 872 for six school years following the creation of the new school district, elect to
 873 enroll in a secondary school located outside the boundaries of the reorganized new
 874 school district if:

875 (A) the individual resides within the boundaries of that secondary school as of the
 876 day before the new school district is created; and

877 (B) the individual would have been eligible to enroll in that secondary school had

- 878 the new school district not been created;
- 879 (v) the reorganized new school district in which the secondary school is located shall
880 provide educational services, including, if provided before the creation of the new
881 school district, busing to each individual making an election under Subsection
882 (1)(a)(iv) for each school year for which the individual makes the election; and
- 883 (vi) within one year following the date on which the new school district begins
884 providing educational services, the superintendent of each affected school district
885 shall meet, together with the state superintendent, to determine if further boundary
886 changes should take place in accordance with Section 53G-3-501.
- 887 (b) (i) The county legislative body shall stagger and adjust the terms of the initial
888 members of the local school boards of the new school district and the reorganized
889 new school district so that approximately half of the local school board is elected
890 every two years following the allocation date in accordance with Section
891 20A-1-104.
- 892 (ii) The term of a member of the divided school district local school board terminates
893 on January 1 of the year following the allocation date, or as determined under
894 Subsection (1)(b)(i).
- 895 (iii) Notwithstanding the existence of the new school district local school board and
896 the reorganized new school district local school board under Subsection (1)(a)(i),
897 the divided school district local school board shall continue to function and
898 exercise authority as a local school board until the allocation date to the extent
899 necessary to continue to provide educational services to the entire divided school
900 district.
- 901 (iv) An individual may simultaneously serve as or be elected to be a member of the
902 local school board of a divided school district and a member of the local school
903 board of:
- 904 (A) a new school district; or
- 905 (B) a reorganized new school district.
- 906 (2) (a) The divided school district local school board shall, within 60 days after the
907 creation date:
- 908 (i) prepare an inventory of the divided school district's:
- 909 (A) assets, both tangible and intangible, real and personal; and
- 910 (B) liabilities; and
- 911 (ii) deliver a copy of the inventory to the Office of the Legislative Auditor General.

- 912 (b) Following the local school board election date described in Subsection (1)(a), the
913 new school district and reorganized new school district local school boards shall:
914 (i) request a copy of the inventory described in Subsection (2)(a) from the Office of
915 the Legislative Auditor General;
916 (ii) determine the allocation of the divided school district's assets and, except for
917 indebtedness under Section 53G-3-307, liabilities of the new school district and
918 reorganized new school district in accordance with Subsection (3);
919 (iii) prepare a written report detailing the allocation under Subsection (2)(b)(ii); and
920 (iv) deliver a copy of the written report to the Office of the Legislative Auditor
921 General and the divided school district local board.
- 922 (c) The new school district and reorganized new school district local boards shall
923 determine the allocation under Subsection (2)(b) and deliver the report required under
924 Subsection (2)(b) on or before July 1 of the year following the school board election
925 date, unless that deadline is extended by mutual agreement of the new school district
926 and reorganized new school district local boards.
- 927 (3) (a) As used in this Subsection (3):
928 (i) "Associated property" means furniture, equipment, or supplies located in or
929 specifically associated with a physical asset.
930 (ii) (A) "Discretionary asset or liability" means, except as provided in Subsection
931 (3)(a)(ii)(B), an asset or liability that is not tied to a specific project, school,
932 student, or employee by law or school district accounting practice.
933 (B) "Discretionary asset or liability" does not include a physical asset, associated
934 property, a vehicle, or bonded indebtedness.
935 (iii) (A) "Nondiscretionary asset or liability" means, except as provided in
936 Subsection (3)(a)(iii)(B), an asset or liability that is tied to a specific project,
937 school, student, or employee by law or school district accounting practice.
938 (B) "Nondiscretionary asset or liability" does not include a physical asset,
939 associated property, a vehicle, or bonded indebtedness.
940 (iv) "Physical asset" means a building, land, or water right together with revenue
941 derived from the lease or use of the building, land, or water right.
- 942 (b) Except as provided under Subsection (3)(c), the new school district and reorganized
943 new school district local school boards shall allocate all assets and liabilities the
944 divided school district owns on the allocation date, both tangible and intangible, real
945 and personal as follows:

- 946 (i) a physical asset and associated property asset shall be allocated to the school
947 district in which the physical asset is located;
- 948 (ii) a discretionary asset or liability shall be allocated between the new school district
949 and reorganized new school district in proportion to the student population of the
950 school districts;
- 951 (iii) vehicles used for pupil transportation shall be allocated:
- 952 (A) according to the transportation needs of schools, as measured by the number
953 and assortment of vehicles used to serve eligible state supported transportation
954 routes serving schools within the new school district and the reorganized new
955 school district; and
- 956 (B) in a manner that gives each school district a fleet of vehicles for pupil
957 transportation that is equivalent in terms of age, condition, and variety of
958 carrying capacities; and
- 959 (iv) other vehicles shall be allocated:
- 960 (A) in proportion to the student population of the school districts; and
- 961 (B) in a manner that gives each district a fleet of vehicles that is similar in terms
962 of age, condition, and carrying capacities.
- 963 (c) By mutual agreement, the new school district and reorganized new school district
964 local school boards may allocate an asset or liability in a manner different than the
965 allocation method specified in Subsection (3)(b).
- 966 (4) (a) As used in this Subsection (4):
- 967 (i) "New school district startup costs" means the costs and expenses incurred by a
968 new school district in order to prepare to begin providing educational services on
969 July 1 of the second calendar year following the local school board general
970 election or special election date described in Subsection (1)(a)(i).
- 971 (ii) "Reorganized new school district startup costs" means the costs and expenses that
972 a reorganized new school district incurs to make necessary adjustments to deal
973 with the impacts resulting from the creation of the new school district and to
974 prepare to provide educational services within the reorganized new school district
975 once the new school district begins providing educational services within the new
976 school district.
- 977 (b) On or before January 1 of the year following the new local school board general
978 election or special election date described in Subsection (1)(a)(i), the divided school
979 district shall make the unassigned reserve funds from the divided school district's

980 general fund available for the use of the reorganized new school district and the new
 981 school district in proportion to the student enrollment of each new school district.

982 (c) The divided school district may make additional funds available for the use of the
 983 reorganized new school district and the new school district beyond the amount
 984 specified in Subsection (4)(b) through an interlocal agreement.

985 (d) The following may access and spend money made available under Subsection (4)(b):

986 (i) the reorganized new school district local school board; and

987 (ii) the new school district local school board.

988 (e) The new school district and the reorganized new school district may use the money
 989 made available under Subsection (4)(b) to pay for the new school district and
 990 reorganized new school district startup costs.

991 (5) (a) The divided school district shall transfer title or, if applicable, partial title of

992 property to the new school district and the reorganized new school district in

993 accordance with the allocation of property as stated in the report under Subsection

994 (2)(b)(iii).

995 (b) The divided school district shall complete each transfer of title or, if applicable,

996 partial title to real property and vehicles on or before one calendar year from the date

997 of the local school board election date described in Subsection (1)(a)(i), except as

998 that date is changed by the mutual agreement of:

999 (i) the local school board of the divided school district;

1000 (ii) the local school board of the reorganized new school district; and

1001 (iii) the local school board of the new school district.

1002 (c) The divided school district shall complete the transfer of all property not included in

1003 Subsection (5)(b) on or before November 1 of the calendar year following the local

1004 school board election date described in Subsection (1)(a)(i).

1005 (6) Except as provided in Subsection (5), a divided school district may not transfer or agree

1006 to transfer title to district property beginning on the day the new school district or

1007 reorganized new school district is created without the prior consent of:

1008 (a) the legislative body of the municipality in which the boundaries for the new school

1009 district or reorganized new school district are entirely located; or

1010 (b) the legislative bodies of all interlocal agreement participants in which the boundaries

1011 of the new school district or reorganized new school district are located.

1012 Section 12. Section **53G-3-303** is amended to read:

1013 **53G-3-303 . New school district property tax -- Limitations.**

1014 [(1) (a) A new school district created under Section 53G-3-302 may not impose a property
 1015 tax prior to the fiscal year in which the new school district assumes responsibility for
 1016 providing student instruction.]
 1017 [(b) The remaining school district retains authority to impose property taxes on the existing
 1018 school district, including the territory of the new school district, until the fiscal year in
 1019 which the new school district assumes responsibility for providing student instruction.]

1020 (1) A new school district, created under Section 53G-3-301.1, 53G-3-301.2, 53G-3-301.3,
 1021 or 53G-3-301.4, and a reorganized new school district may not impose a property tax
 1022 before the fiscal year in which the new school district and reorganized new school
 1023 district assume responsibility for providing student instruction.

1024 (2) (a) If at the time a new school district created [~~pursuant to Section 53G-3-302~~
 1025 ~~assumes~~] in accordance with Section 53G-3-301.1, 53G-3-301.2, 53G-3-301.3, or
 1026 53G-3-301.4 assumes responsibility for student instruction any portion of the
 1027 territory within the new school district was subject to a levy pursuant to Section
 1028 53F-8-301, the new school district's board may:

- 1029 (i) discontinue the levy for the new school district;
- 1030 (ii) impose a levy on the new school district as provided in Section 53F-8-301; or
- 1031 (iii) impose the levy on the new school district, subject to Subsection (2)(b).

1032 (b) If the new school district's local school board applies a levy to the new school district [
 1033 ~~pursuant to~~] in accordance with Subsection (2)(a)(iii), the levy may not exceed the
 1034 maximum duration or rate authorized by the voters of the [~~existing~~] divided school
 1035 district [~~or districts~~] at the time of the vote to create the new school district.

1036 Section 13. Section **53G-3-304** is amended to read:

1037 **53G-3-304 . Property tax levies in new district and reorganized new district --**
 1038 **Distribution of property tax revenue.**

1039 [(1) Notwithstanding terms defined in Section 53G-3-102, as used in this section:]

1040 [(a) "Divided school district" or "existing district" means a school district from which a
 1041 new district is created.]

1042 [(b) "New district" means a school district created under Section 53G-3-302 after May 10,
 1043 2011.]

1044 [(c) "Property tax levy" means a property tax levy that a school district is authorized to
 1045 impose, except:]

1046 [(i) the minimum basic tax rate imposed under Section 53F-2-301;]

1047 [(ii) a debt service levy imposed under Section 11-14-310; or]

- 1048 ~~[(iii) a judgment levy imposed under Section 59-2-1330.]~~
- 1049 ~~[(d) "Qualifying taxable year" means the calendar year in which a new district begins to~~
- 1050 ~~provide educational services.]~~
- 1051 ~~[(e) "Remaining district" means an existing district after the creation of a new district.]~~
- 1052 ~~[(2)]~~ (1) As used in this section:
- 1053 (a) "Property tax levy" means a property tax levy that a school district is authorized to
- 1054 impose, except:
- 1055 (i) the minimum basic tax rate imposed under Section 53F-2-301;
- 1056 (ii) a debt service levy imposed under Section 11-14-310;
- 1057 (iii) a judgment levy imposed under Section 59-2-1330; or
- 1058 (iv) charter school tax rate.
- 1059 (b) "Qualifying taxable year" means the calendar year in which a new district begins to
- 1060 provide educational services.
- 1061 (2) A new school district and ~~[remaining]~~ reorganized new school district shall continue to
- 1062 impose property tax levies that were imposed by the divided school district in the
- 1063 taxable year ~~[prior to]~~ before the qualifying taxable year.
- 1064 (3) Except as provided in Subsection (6), a property tax levy that a new school district and ~~[~~
- 1065 ~~remaining]~~ reorganized new school district are required to impose under Subsection (2)
- 1066 shall be set at a rate that:
- 1067 (a) is uniform in the new school district and ~~[remaining]~~ reorganized new school district;
- 1068 and
- 1069 (b) generates the same amount of revenue that was generated by the property tax levy
- 1070 within the divided school district in the taxable year ~~[prior to]~~ before the qualifying
- 1071 taxable year.
- 1072 (4) The county treasurer of the county in which a property tax levy is imposed under
- 1073 Subsection (2) shall distribute revenues generated by the property tax levy to the new
- 1074 school district and ~~[remaining]~~ reorganized new school district in proportion to the
- 1075 percentage of the divided school district's enrollment on the October 1 ~~[prior to]~~ before
- 1076 the new school district ~~[commencing]~~ or reorganized new school district commences
- 1077 educational services that were enrolled in schools currently located in the new school
- 1078 district or ~~[remaining]~~ reorganized new school district.
- 1079 (5) On or before March 31, a county treasurer shall distribute revenues generated by a
- 1080 property tax levy imposed under Subsection (2) in the ~~[prior]~~ previous calendar year to a
- 1081 new school district and ~~[remaining]~~ reorganized new school district as provided in

1082 Subsection (4).
 1083 (6) (a) Subject to the notice and public hearing requirements of Section 59-2-919, a new
 1084 school district or [~~remaining~~] reorganized new school district may set a property tax
 1085 rate higher than the rate required by Subsection (3), up to:
 1086 (i) the maximum rate, if any, allowed by law; or
 1087 (ii) the maximum rate authorized by voters for a voted local levy under Section
 1088 53F-8-301.
 1089 (b) The revenues generated by the portion of a property tax rate in excess of the rate
 1090 required by Subsection (3) shall be retained by the district that imposes the higher
 1091 rate.

1092 Section 14. Section **53G-3-305** is amended to read:
 1093 **53G-3-305 . Redistricting -- Local school board membership.**

1094 (1) Upon the creation of a new school district in accordance with Section 53G-3-301.1,
 1095 53G-3-301.2, 53G-3-301.3, or 53G-3-301.4, the applicable legislative body shall
 1096 redistrict the affected school districts in accordance with Section 20A-14-201.
 1097 (2) Except as provided in Section 53G-3-302, local school board membership in the
 1098 affected school districts shall be determined under Title 20A, Chapter 14, Part 2,
 1099 Election of Members of Local Boards of Education.

1100 Section 15. Section **53G-3-306** is amended to read:
 1101 **53G-3-306 . Transfer of school property to new school district and reorganized**
 1102 **new school district.**

1103 [~~(1) (a) (i) On July 1 of the year following the local school board elections for a new~~
 1104 ~~district created pursuant to a citizens' initiative petition or local school board request~~
 1105 ~~under Section 53G-3-301 and an existing district as provided in Section 53G-3-305, the~~
 1106 ~~local school board of the existing district shall convey and deliver to the local school~~
 1107 ~~board of the new district all school property which the new district is entitled to receive.]~~

1108 [(ii) Any disagreements as to the disposition of school property shall be resolved by the
 1109 county legislative body.]

1110 [(iii) Subsection (1)(a)(ii) does not apply to disagreements between transition teams about
 1111 the proper allocation of property under Subsection 53G-3-302(4).]

1112 [(b) An existing district shall transfer property to a new district created under Section
 1113 53G-3-302 in accordance with Section 53G-3-302.]

1114 [(2)] (1) On July 1 of the second calendar year following the local school board elections for
 1115 a new school district and a reorganized new school district under this part, the divided

1116 school district's local school board shall convey and deliver to the new school district
 1117 local school board and the reorganized new school district local school board all school
 1118 property to which each new school district is entitled.

1119 (2) Title vests in the new local school board, including all rights, claims, and causes of
 1120 action to or for the property, for the use or the income from the property, for conversion,
 1121 disposition, or withholding of the property, or for any damage or injury to the property.

1122 (3) The new local school board may bring and maintain actions to recover, protect, and
 1123 preserve the property and rights of the district's schools and to enforce contracts.

1124 Section 16. Section **53G-3-307** is amended to read:

1125 **53G-3-307 . Tax to pay for indebtedness of divided school district.**

1126 [~~(1) (a) For a new district created prior to May 10, 2011, the local school boards of the~~
 1127 ~~remaining and new districts shall determine the portion of the divided school district's~~
 1128 ~~bonded indebtedness and other indebtedness for which the property within the new~~
 1129 ~~district remains subject to the levy of taxes to pay a proportionate share of the divided~~
 1130 ~~school district's outstanding indebtedness.]~~

1131 [~~(b) The proportionate share of the divided school district's outstanding indebtedness for~~
 1132 ~~which property within the new district remains subject to the levy of taxes shall be~~
 1133 ~~calculated by determining the proportion that the total assessed valuation of the property~~
 1134 ~~within the new district bears to the total assessed valuation of the divided school district:]~~

1135 [~~(i) in the year immediately preceding the date the new district was created; or]~~

1136 [~~(ii) at a time mutually agreed upon by the local school boards of the new district and the~~
 1137 ~~remaining district.]~~

1138 [~~(c) The agreement reflecting the determinations made under this Subsection (1) shall take~~
 1139 ~~effect upon being filed with the county legislative body and the state board.]~~

1140 [~~(2) (a) Except as provided in Subsection (2)(b), the local school board of a new district~~
 1141 ~~created prior to May 10, 2011, shall levy a tax on property within the new district~~
 1142 ~~sufficient to pay the new district's proportionate share of the indebtedness determined~~
 1143 ~~under Subsection (1).]~~

1144 [~~(b) If a new district has money available to pay the new district's proportionate share of~~
 1145 ~~the indebtedness determined under Subsection (1), the new district may abate a property~~
 1146 ~~tax to the extent of money available.]~~

1147 [~~(3) (1) As used in Subsections [(4)] (2) and [(5)] (3), "outstanding bonded indebtedness"~~
 1148 ~~means debt owed for a general obligation bond or lease revenue bond issued by the~~
 1149 ~~divided school district:~~

- 1150 (a) [~~prior to~~] before the creation of the new school district; or
- 1151 (b) in accordance with a mutual agreement of the local school boards of the [~~remaining~~]
- 1152 reorganized new school district and [~~new districts~~] the new school district under
- 1153 Subsection [~~(6)~~] (4).
- 1154 [(4)] (2) If a new school district is created on or after May 10, 2011, property within the new
- 1155 school district and the [~~remaining~~] reorganized new school district is subject to the levy
- 1156 of a tax to pay the divided school district's outstanding bonded indebtedness as provided
- 1157 in Subsection [~~(5)~~] (3).
- 1158 [(5)] (3) (a) Except as provided in Subsection [~~(5)(b)~~] (3)(b), the local school board of the
- 1159 new school district and the local school board of the [~~remaining~~] reorganized new
- 1160 school district shall impose a tax levy at a rate that:
- 1161 (i) generates from the combined districts the amount of revenue required each year to
- 1162 meet the outstanding bonded indebtedness of the divided school district; and
- 1163 (ii) is [~~uniform within~~] based on the adjusted assessed value of the new school district
- 1164 and [~~remaining~~] reorganized new school district.
- 1165 (b) A local school board of a new school district may abate a property tax required to be
- 1166 imposed under Subsection [~~(5)(a)~~] (3)(a) to the extent the new school district has
- 1167 money available to pay to the [~~remaining~~] reorganized new school district the amount
- 1168 of revenue that would be generated within the new school district from the tax rate
- 1169 specified in Subsection [~~(5)(a)~~] (3)(a).
- 1170 [(6)] (4) (a) The local school boards of the [~~remaining~~] new school district and [~~new~~
- 1171 districts] the reorganized new school district shall determine by mutual agreement the
- 1172 disposition of bonds approved but not issued by the divided school district before the
- 1173 creation of the new school district and reorganized new school district based
- 1174 primarily on the representation made to the voters at the time of the bond election.
- 1175 (b) Before a determination is made under Subsection [~~(6)(a)~~] (4)(a), a [~~remaining~~]
- 1176 reorganized new school district may not issue bonds approved but not issued before
- 1177 the creation of the new school district and reorganized new school district if property
- 1178 in the new school district would be subject to the levy of a tax to pay the bonds.
- 1179 Section 17. Section **53G-3-308** is amended to read:
- 1180 **53G-3-308 . Employees of a new district.**
- 1181 (1) Upon the [~~creation of a new district~~] day a new school district commences educational
- 1182 services:
- 1183 (a) an employee of [~~an existing~~] a divided school district who is employed at a school

- 1184 that is transferred to ~~[the]~~ a new school district shall become an employee of the ~~[new]~~
1185 district in which the school is located; and
- 1186 (b) the local school board of ~~[the]~~ a new school district shall:
- 1187 (i) have discretion in the hiring of all other staff;
- 1188 (ii) adopt the personnel policies and practices of the ~~[existing]~~ divided school district,
1189 including salary schedules and benefits; and
- 1190 (iii) enter into agreements with employees of the new school district, or ~~[their]~~ the
1191 new school district employees' representatives, that have the same terms as those
1192 in the negotiated agreements between the ~~[existing]~~ divided school district and ~~[its]~~
1193 the divided school district's employees that existed on or before the creation date.
- 1194 (2) (a) Subject to Subsection (2)(b), an employee of a school district from which a new
1195 district is created who becomes an employee of ~~[the]~~ a new school district shall retain
1196 the same status as a career or provisional employee with accrued seniority and
1197 accrued benefits.
- 1198 (b) Subsection (2)(a) applies to:
- 1199 (i) employees of ~~[an existing]~~ a divided school district who are transferred to a new
1200 school district ~~[pursuant to]~~ as described in Subsection (1)(a); and
- 1201 (ii) employees of a school district from which a new school district is created who are
1202 hired by the new school district within one year of the date of the creation of the
1203 new school district.
- 1204 (3) An employee who is transferred to a new school district ~~[pursuant to]~~ in accordance with
1205 Subsection (1)(a) and is ~~[rehired]~~ hired by the ~~[existing]~~ reorganized new school district
1206 within one year of the date of the creation of the new school district shall, when ~~[rehired]~~
1207 hired by the ~~[existing]~~ reorganized new school district, retain the same status as a career
1208 or provisional employee with accrued seniority and accrued benefits.
- 1209 (4) Before the new school district commences educational services, the reorganized new
1210 school district's local school board may not dismiss an employee of the reorganized new
1211 school district who is transferred to the new school district for the sole reason that the
1212 employee becomes an employee of the new school district.

1213 Section 18. **Effective date.**

1214 This bill takes effect on May 1, 2024.