

**Senator Keith Grover** proposes the following substitute bill:

**SCHOOL DISTRICT AMENDMENTS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Keith Grover**

House Sponsor: Susan Pulsipher

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**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;
- ▶ prohibits school employees and school board members from using public resources for certain purposes;
- ▶ 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:**



26 None

27 **Other Special Clauses:**

28 None

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **20A-1-203**, as last amended by Laws of Utah 2020, Chapter 47

32 **36-12-15**, as last amended by Laws of Utah 2023, Chapter 21

33 **53G-3-102**, as renumbered and amended by Laws of Utah 2018, Chapter 3

34 **53G-3-202**, as last amended by Laws of Utah 2023, Chapter 252

35 **53G-3-203**, as renumbered and amended by Laws of Utah 2018, Chapter 3

36 **53G-3-303**, as renumbered and amended by Laws of Utah 2018, Chapter 3

37 **53G-3-304**, as last amended by Laws of Utah 2023, Chapter 7

38 **53G-3-305**, as last amended by Laws of Utah 2022, Chapter 265

39 **53G-3-306**, as last amended by Laws of Utah 2019, Chapter 293

40 **53G-3-307**, as last amended by Laws of Utah 2019, Chapter 293

41 **53G-3-308**, as last amended by Laws of Utah 2019, Chapter 293

42 ENACTS:

43 **53G-3-301.1**, Utah Code Annotated 1953

44 **53G-3-301.2**, Utah Code Annotated 1953

45 **53G-3-301.3**, Utah Code Annotated 1953

46 **53G-3-301.4**, Utah Code Annotated 1953

47 REPEALS AND REENACTS:

48 **53G-3-301**, as last amended by Laws of Utah 2023, Chapter 116

49 **53G-3-302**, as last amended by Laws of Utah 2019, Chapter 293



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

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

53 **20A-1-203. Calling and purpose of special elections -- Two-thirds vote**

54 **limitations.**

55 (1) Statewide and local special elections may be held for any purpose authorized by  
56 law.

57 (2) (a) Statewide special elections shall be conducted using the procedure for regular  
58 general elections.

59 (b) Except as otherwise provided in this title, local special elections shall be conducted  
60 using the procedures for regular municipal elections.

61 (3) The governor may call a statewide special election by issuing an executive order  
62 that designates:

63 (a) the date for the statewide special election; and

64 (b) the purpose for the statewide special election.

65 (4) The Legislature may call a statewide special election by passing a joint or  
66 concurrent resolution that designates:

67 (a) the date for the statewide special election; and

68 (b) the purpose for the statewide special election.

69 (5) (a) The legislative body of a local political subdivision may call a local special  
70 election only for:

71 (i) a vote on a bond or debt issue;

72 (ii) a vote on a voted local levy authorized by Section 53F-8-402 or 53F-8-301;

73 (iii) an initiative authorized by Chapter 7, Part 5, Local Initiatives - Procedures;

74 (iv) a referendum authorized by Chapter 7, Part 6, Local Referenda - Procedures;

75 (v) if required or authorized by federal law, a vote to determine whether Utah's legal  
76 boundaries should be changed;

77 (vi) a vote authorized or required by Title 59, Chapter 12, Sales and Use Tax Act;

78 (vii) a vote to elect members to school district boards for a new school district and a  
79 ~~remaining~~ reorganized new school district, as defined in Section 53G-3-102, following the  
80 creation of a new school district under Section 53G-3-302;

81 (viii) a vote on a municipality providing cable television services or public  
82 telecommunications services under Section 10-18-204;

83 (ix) a vote to create a new county under Section 17-3-1;

84 (x) a vote on a special property tax under Section 53F-8-402;

85 (xi) a vote on the incorporation of a municipality in accordance with Section  
86 10-2a-210; or

87 (xii) a vote on incorporation or annexation as described in Section 10-2a-404.

88 (b) The legislative body of a local political subdivision may call a local special election  
89 by adopting an ordinance or resolution that designates:

- 90 (i) the date for the local special election as authorized by Section 20A-1-204; and
- 91 (ii) the purpose for the local special election.

92 (c) A local political subdivision may not call a local special election unless the  
93 ordinance or resolution calling a local special election under Subsection (5)(b) is adopted by a  
94 two-thirds majority of all members of the legislative body, if the local special election is for:

- 95 (i) a vote on a bond or debt issue as described in Subsection (5)(a)(i);
- 96 (ii) a vote on a voted leeway or levy program as described in Subsection (5)(a)(ii); or
- 97 (iii) a vote authorized or required for a sales tax issue as described in Subsection  
98 (5)(a)(vi).

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

100 **36-12-15. Office of the Legislative Auditor General established -- Qualifications --**  
101 **Powers, functions, and duties -- Reporting -- Criminal penalty -- Employment.**

102 (1) As used in this section:

103 (a) "Entity" means:

- 104 (i) a government organization; or
- 105 (ii) a receiving organization.

106 (b) "Government organization" means:

- 107 (i) a state branch, department, or agency; or
- 108 (ii) a political subdivision, including a county, municipality, special district, special  
109 service district, school district, interlocal entity as defined in Section 11-13-103, or any other  
110 local government unit.

111 (c) "Receiving organization" means an organization that receives public funds that is  
112 not a government organization.

113 (2) There is created the Office of the Legislative Auditor General as a permanent staff  
114 office for the Legislature.

115 (3) The legislative auditor general shall be a licensed certified public accountant or  
116 certified internal auditor with at least seven years of experience in the auditing or public  
117 accounting profession, or the equivalent, prior to appointment.

118 (4) The legislative auditor general shall appoint and develop a professional staff within

119 budget limitations.

120 (5) The Office of the Legislative Auditor General shall exercise the constitutional  
121 authority provided in Utah Constitution, Article VI, Section 33.

122 (6) Under the direction of the legislative auditor general, the Office of the Legislative  
123 Auditor General shall:

124 (a) conduct comprehensive and special purpose audits, examinations, investigations, or  
125 reviews of entity funds, functions, and accounts;

126 (b) prepare and submit a written report on each audit, examination, investigation, or  
127 review to the Audit Subcommittee created in Section 36-12-8 and make the report available to  
128 all members of the Legislature within 75 days after the audit, examination, investigation, or  
129 review is completed;

130 (c) monitor, conduct a risk assessment of, or audit any efficiency evaluations that the  
131 legislative auditor general determines necessary, in accordance with Title 63J, Chapter 1, Part  
132 9, Government Performance Reporting and Efficiency Process, and legislative rule;

133 (d) create, manage, and report to the Audit Subcommittee a list of high risk programs  
134 and operations that:

135 (i) threaten public funds or programs;

136 (ii) are vulnerable to inefficiency, waste, fraud, abuse, or mismanagement; or

137 (iii) require transformation;

138 (e) monitor and report to the Audit Subcommittee the health of a government  
139 organization's internal audit functions;

140 (f) make recommendations to increase the independence and value added of internal  
141 audit functions throughout the state;

142 (g) implement a process to track, monitor, and report whether the subject of an audit  
143 has implemented recommendations made in the audit report;

144 (h) establish, train, and maintain individuals within the office to conduct investigations  
145 and represent themselves as lawful investigators on behalf of the office;

146 (i) establish policies, procedures, methods, and standards of audit work and  
147 investigations for the office and staff;

148 (j) prepare and submit each audit and investigative report independent of any influence  
149 external of the office, including the content of the report, the conclusions reached in the report,

150 and the manner of disclosing the legislative auditor general's findings;

151 (k) prepare and submit the annual budget request for the office; and

152 (l) perform other duties as prescribed by the Legislature.

153 (7) In conducting an audit, examination, investigation, or review of an entity, the  
154 Office of the Legislative Auditor General may include a determination of any or all of the  
155 following:

156 (a) the honesty and integrity of any of the entity's fiscal affairs;

157 (b) the accuracy and reliability of the entity's internal control systems and specific  
158 financial statements and reports;

159 (c) whether or not the entity's financial controls are adequate and effective to properly  
160 record and safeguard the entity's acquisition, custody, use, and accounting of public funds;

161 (d) whether the entity's administrators have complied with legislative intent;

162 (e) whether the entity's operations have been conducted in an efficient, effective, and  
163 cost efficient manner;

164 (f) whether the entity's programs have been effective in accomplishing intended  
165 objectives; and

166 (g) whether the entity's management control and information systems are adequate and  
167 effective.

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

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

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

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

178 (ii) entity personnel; and

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

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

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

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

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

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

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

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

200 (i) records and audit work papers that would disclose information relating to  
201 allegations of personal misconduct, gross mismanagement, or illegal activity of a past or  
202 present governmental employee if the information or allegation cannot be corroborated by the  
203 legislative auditor general through other documents or evidence, and the records relating to the  
204 allegation are not relied upon by the legislative auditor general in preparing a final audit report;

205 (ii) records and audit workpapers that would disclose the identity of a person who,  
206 during the course of a legislative audit, communicated the existence of:

207 (A) unethical behavior;

208 (B) waste of public funds, property, or personnel; or

209 (C) a violation or suspected violation of a United States, Utah state, or political  
210 subdivision law, rule, ordinance, or regulation, if the person disclosed on the condition that the  
211 identity of the person be protected;

212 (iii) before an audit is completed and the final audit report is released, records or drafts  
213 circulated to a person who is not an employee or head of an entity for review, response, or  
214 information;

215 (iv) records that would disclose:

216 (A) an outline;

217 (B) all or part of an audit survey, audit risk assessment plan, or audit program; or

218 (C) other procedural documents necessary to fulfill the duties of the office; and

219 (v) requests for audits, if disclosure would risk circumvention of an audit.

220 (b) The provisions of Subsection (11)(a) do not prohibit the disclosure of records or  
221 information to a government prosecutor or peace officer if those records or information relate  
222 to a violation of the law by an entity or entity employee.

223 (c) A record, as defined in Section [63G-2-103](#), created by the Office of the Legislative  
224 Auditor General in a closed meeting held in accordance with Section [52-4-205](#):

225 (i) is a protected record, as defined in Section [63G-2-103](#);

226 (ii) to the extent the record contains information:

227 (A) described in Section [63G-2-302](#), is a private record; or

228 (B) described in Section [63G-2-304](#), is a controlled record; and

229 (iii) may not be reclassified by the office.

230 (d) The provisions of this section do not limit the authority otherwise given to the  
231 legislative auditor general to maintain the private, controlled, or protected record status of a  
232 shared record in the legislative auditor general's possession or classify a document as public,  
233 private, controlled, or protected under Title 63G, Chapter 2, Government Records Access and  
234 Management Act.

235 (12) The legislative auditor general shall:

236 (a) be available to the Legislature and to the Legislature's committees for consultation  
237 on matters relevant to areas of the legislative auditor general's professional competence;

238 (b) conduct special audits as requested by the Audit Subcommittee;

239 (c) report immediately to the Audit Subcommittee any apparent violation of penal  
240 statutes disclosed by the audit of an entity and furnish to the Audit Subcommittee all  
241 information relative to the apparent violation;

242 (d) report immediately to the Audit Subcommittee any apparent instances of



243 malfeasance or nonfeasance by an entity officer or employee disclosed by the audit of an entity;  
244 and

245 (e) make any recommendations to the Audit Subcommittee with respect to the  
246 alteration or improvement of the accounting system used by an entity.

247 (13) If the legislative auditor general conducts an audit of an entity that has previously  
248 been audited and finds that the entity has not implemented a recommendation made by the  
249 legislative auditor general in a previous audit, the legislative auditor general shall, upon release  
250 of the audit:

251 (a) report immediately to the Audit Subcommittee that the entity has not implemented  
252 that recommendation; and

253 (b) shall report, as soon as possible, that the entity has not implemented that  
254 recommendation to an appropriate legislative committee designated by the Audit  
255 Subcommittee.

256 (14) Before each annual general session, the legislative auditor general shall:

257 (a) prepare an annual report that:

258 (i) summarizes the audits, examinations, investigations, and reviews conducted by the  
259 office since the last annual report; and

260 (ii) evaluate and report the degree to which an entity that has been the subject of an  
261 audit has implemented the audit recommendations;

262 (b) include in the report any items and recommendations that the legislative auditor  
263 general believes the Legislature should consider in the annual general session; and

264 (c) deliver the report to the Legislature and to the appropriate committees of the  
265 Legislature.

266 (15) (a) If the chief officer of an entity has actual knowledge or reasonable cause to  
267 believe that there is misappropriation of the entity's public funds or assets, or another entity  
268 officer has actual knowledge or reasonable cause to believe that the chief officer is  
269 misappropriating the entity's public funds or assets, the chief officer or, alternatively, the other  
270 entity officer, shall immediately notify, in writing:

271 (i) the Office of the Legislative Auditor General;

272 (ii) the attorney general, county attorney, or district attorney; and

273 (iii) (A) for a state government organization, the chief executive officer;

274 (B) for a political subdivision government organization, the legislative body or  
275 governing board; or

276 (C) for a receiving organization, the governing board or chief executive officer unless  
277 the chief executive officer is believed to be misappropriating the funds or assets, in which case  
278 the next highest officer of the receiving organization.

279 (b) As described in Subsection (15)(a), the entity chief officer or, if applicable, another  
280 entity officer, is subject to the protections of Title 67, Chapter 21, Utah Protection of Public  
281 Employees Act.

282 (c) If the Office of the Legislative Auditor General receives a notification under  
283 Subsection (15)(a) or other information of misappropriation of public funds or assets of an  
284 entity, the office shall inform the Audit Subcommittee.

285 (d) The attorney general, county attorney, or district attorney shall notify, in writing,  
286 the Office of the Legislative Auditor General whether the attorney general, county attorney, or  
287 district attorney pursued criminal or civil sanctions in the matter.

288 (16) (a) An actor commits interference with a legislative audit if the actor uses force,  
289 violence, intimidation, or engages in any other unlawful act with a purpose to interfere with:

290 (i) a legislative audit, examination, investigation, or review of an entity conducted by  
291 the Office of the Legislative Auditor General; or

292 (ii) the Office of the Legislative Auditor General's decisions relating to:

293 (A) the content of the office's report;

294 (B) the conclusions reached in the office's report; or

295 (C) the manner of disclosing the results and findings of the office.

296 (b) A violation of Subsection (16)(a) is a class B misdemeanor.

297 (17) (a) Beginning July 1, 2020, the Office of the Legislative Auditor General may  
298 require any current employee, or any applicant for employment, to submit to a  
299 fingerprint-based local, regional, and criminal history background check as an ongoing  
300 condition of employment.

301 (b) An employee or applicant for employment shall provide a completed fingerprint  
302 card to the office upon request.

303 (c) The Office of the Legislative Auditor General shall require that an individual  
304 required to submit to a background check under this Subsection (17) also provide a signed

305 waiver on a form provided by the office that meets the requirements of Subsection  
306 [53-10-108](#)(4).

307 (d) For a noncriminal justice background search and registration in accordance with  
308 Subsection [53-10-108](#)(13), the office shall submit to the Bureau of Criminal Identification:

309 (i) the employee's or applicant's personal identifying information and fingerprints for a  
310 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  
321 date 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 Section  
325 [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  
329 [53G-3-301](#)(9) at which voters approve the creation of a new school district under Section  
330 [53G-3-302](#).]

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

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

335 [(7) "Remaining district" or "remaining school district" means an existing district after

336 the creation of a new district.]

337 ~~[(8) "Restructuring" means the transfer of territory from one school district to another~~  
338 ~~school district.]~~

339 As used in this chapter:(1) "Allocation date" means:

340 (a) June 20 of the calendar year following the local school board general election date  
341 or special election date as described in Section 53G-3-302; or

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

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

346 (3) "Divided school district" means:

347 (a) an existing school district from which a new school district is created under Section  
348 53G-3-301.1, 53G-3-301.2, 53G-3-301.3, or 53G-3-301.4; and

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

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

351 (i) conducted by:

352 (A) a school district, municipality legislative body, or interlocal agreement participants  
353 before July 31, 2024; or

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

356 (ii) to determine:

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

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

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

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

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

- 367 (a) is entirely within the boundaries of an existing school district;
- 368 (b) is contiguous to the proposed new school district;
- 369 (c) has a combined student population of fewer than 5,000 students; and
- 370 (d) because of the creation of a new school district from the existing district in which
- 371 the area is located, would become completely geographically isolated.

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

373 (8) "New school district" means a school district created under Section 53G-3-301.1,

374 53G-3-301.2, 53G-3-301.3, or 53G-3-301.4.

375 (9) "Reorganized new school district" means the remaining portion of the divided

376 school district after the creation of a new school district under Subsection 53G-3-301.1,

377 53G-3-301.2, 53G-3-301.3, or 53G-3-301.4.

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

379 **53G-3-202. School districts independent of municipal and county governments --**

380 **School district name -- Control of property.**

381 (1) (a) Each school district shall be controlled by its local school board and shall be

382 independent of municipal and county governments.

383 (b) The name of each school district created after May 1, 2000, including a reorganized

384 new school district, shall comply with [~~Subsection 17-50-103(2)(a).~~] Section 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 provide

387 educational services that best utilize resources for overall operation of the public school

388 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 53G-3-301.4, and in

391 accordance with Section 67-1a-15, a new school district shall be registered as a limited purpose

392 entity by:

393 (i) the municipal legislative body in which the boundaries for the new school district is

394 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  
400 (b) or Section 67-1a-15 is subject to enforcement by the state auditor[;] in accordance with  
401 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 requirements --**  
405 **Effective date.**

406 (1) The county legislative body shall~~[:(a)]~~, within 30 days ~~[after the]~~ following the day  
407 on which the creation, consolidation, division, or dissolution of a school district occurs, file  
408 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  
412 plat, as defined in Section 67-1a-6.5~~[:and]~~.

413 ~~[(b)]~~ (2) The county legislative body, upon the lieutenant governor's issuance of a  
414 certificate 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 ~~[(B)]~~ (A) notice of an impending boundary action;

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

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

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

422 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 ~~[(B)]~~ (A) the original of the documents listed in Subsections ~~[(1)(b)(i)(A)(I), (II), and~~

427 ~~[(C)]~~ (2)(a)(i); and

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

429 and

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

431 ~~[(F)]~~ (A) a certified copy of the documents listed in Subsections ~~[(1)(b)(i)(A)(F), (H),~~

432 ~~and (H)]~~ (2)(a)(i); and

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

434 ~~[(2)]~~ (3) (a) Upon the lieutenant governor's issuance of the certificate under Section

435 67-1a-6.5, the creation, consolidation, division, dissolution, or other change affecting the

436 boundary of a new or ~~[existing]~~ reorganized new school district that was the subject of the

437 action has legal effect.

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

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

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

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

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

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

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

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

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

457 **53G-3-301. Creation of new school district -- Initiation of process -- Procedures to**  
458 **be followed.**

459 (1) A new school district may be created from one or more existing school districts, as

460 provided in this chapter.

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

462 (a) through a citizens' initiative petition in accordance with Section [53G-3-301.1](#);

463 (b) at the request of the local school board of the divided district or districts to be

464 affected by the creation of the new district in accordance with Section [53G-3-301.2](#);

465 (c) at the request of a municipality within the boundaries of the school district in

466 accordance with Section [53G-3-301.3](#); or

467 (d) at the request of interlocal agreement participants in accordance with Section

468 [53G-3-301.4](#).

469 (3) Except as provided in Sections [53G-3-301.3](#) and [53G-3-301.4](#), a request or petition

470 under Subsection (2) may not form a new school district unless the new school district

471 boundaries:

472 (a) are contiguous;

473 (b) do not completely surround or otherwise completely geographically isolate a

474 portion of the existing school district that is not part of the proposed new school district from

475 the remaining part of that existing school district; or

476 (c) include the entire boundaries of each participant municipality or town.

477 (4) For each new school district, each county legislative body shall comply with the

478 notice and plat filing requirements of Section [53G-3-203](#).

479 (5) If a new school district is created, the new district shall reimburse the reorganized

480 new district's documented costs to study and implement the proposal in proportion to the

481 student population of each school district.

482 (6) An inadequacy of a feasibility study, as defined in Section [53G-3-102](#), may not be

483 the basis of a legal action or other challenge to:

484 (a) an election for voter approval of the creation of a new school district; or

485 (b) the creation of the new school district.

486 (7) Notwithstanding the creation of a new district as provided in this part:

487 (a) a new school district and a reorganized new school district may not begin to

488 provide educational services to the area within the new school district and reorganized new

489 school district until July 1 of the calendar year following the local school board election date as

490 described in Section [53G-3-301.1](#), [53G-3-301.2](#), [53G-3-301.3](#), or [53G-3-301.4](#); and



491 (b) the divided school district shall continue, until the time specified in Subsection  
492 (7)(a), to provide educational services within the entire area covered by the divided school  
493 district.

494 (8) A new school district and a reorganized new school district shall enter into a shared  
495 services agreement that permits students residing in each new school district access to attend a  
496 school that serves students with disabilities within or outside of each school district boundary:

- 497 (a) for no more than five years;
- 498 (b) with an equal per student assessment; and
- 499 (c) without affecting services provided to other students.

500 (9) A school district employee or local school board member may not use public  
501 resources to:

- 502 (a) advocate for or against a school district creation;
- 503 (b) create a public issues committee relating to a school district creation; or
- 504 (c) conduct a survey relating to a school district creation.

505 (10) A school district employee or local school board member who violates Subsection  
506 (9) is subject to:

- 507 (a) disciplinary action in accordance with Section [53E-3-401](#); or
- 508 (b) disciplinary action as provided in school district or local school board rule.

509 (11) The process described in Subsection (2) may not be initiated more than once  
510 during any two-year period.

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

512 **53G-3-301.1. Creation of a new school district -- Citizen's initiative petition --**  
513 **Procedures to be followed.**

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

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

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

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

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

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

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

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

534 (ii) A statement described in Subsection (3)(a)(i) shall comply with the requirements  
535 described in Subsection [20A-1-1003\(2\)](#).

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

539 (b) The county clerk shall use the procedures described in Section [20A-1-1002](#) to  
540 determine whether the petition has been signed by the required number of registered voters  
541 residing within the geographical boundaries of the proposed new school district.

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

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

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

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

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

553 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 petition  
558 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 that the  
561 Legislative Audit Subcommittee consider prioritizing a feasibility study, as that term is defined  
562 in Section [53G-3-102](#).

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

564 (i) provide for a 60-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 and  
567 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 creation of  
570 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  
574 section, 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 general  
578 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 favor of the  
583 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 this  
589 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 proposed  
592 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 board  
595 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  
600 (2) is 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  
602 53G-3-301; 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 body;  
606 and

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

608 (ii) if the county clerk determines that the request fails to comply with any of the  
609 applicable requirements, reject the request and notify the contact sponsor in writing of the  
610 rejection and reasons for the rejection.

611 (4) (a) If the county clerk fails to certify or reject a request within the time specified in  
612 Subsection (3), the request is considered to be certified.

613 (b) If the county clerk rejects a request, the local school board that submitted the  
614 request may amend the request to correct the deficiencies for which the county clerk rejected

615 the request and refile the request.

616 (5) (a) Within 14 days after the day the local school board receives certification as  
617 described in Subsection (3) or (4), the local school board shall request that the Legislative  
618 Audit Subcommittee consider prioritizing a feasibility study, as that term is defined in Section  
619 53G-3-102.

620 (b) For the year 2024, the local school board may use a feasibility study conducted  
621 before July 31, 2024, if:

622 (i) the feasibility study contains the determinations described in Section 53G-3-102;

623 and

624 (ii) the local school board receives a report and recommendation regarding the  
625 feasibility study in a public meeting.

626 (6) (a) The local school board shall:

627 (i) provide for a 60-day public comment period to begin on the day the local school  
628 board receives the report under Subsection (5); and

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

631 (b) Within 14 days after the day on which the public comment period ends, the local  
632 school board shall vote on the creation of the proposed new school district.

633 (c) A local school board approves a proposal if a majority of the local school board  
634 members vote in favor of the proposal.

635 (d) Within five business days after the day on which the local school board approves a  
636 proposal, the local school board shall notify the legislative body of each county described in  
637 Subsection (2)(a).

638 (7) (a) The legislative body of each county described in Subsection (2) shall submit the  
639 proposal to the county clerk to be voted on:

640 (i) by the legal voters of each existing school district the proposal affects;

641 (ii) in accordance with the procedures and requirements applicable to a regular general  
642 election under Title 20A, Election Code; and

643 (iii) at the next regular general election or municipal general election, whichever is  
644 first.

645 (b) A new school district is created if a majority of the legal voters within the proposed

646 new school district and each existing school district voting on the proposal vote in favor of the  
647 creation of the new district.

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

649 **53G-3-301.3. Creation of a new school district -- Request by a municipality --**

650 **Procedures to be followed.**

651 (1) A municipality located within the boundaries of a school district may initiate the  
652 process to create a new school district in accordance with this section and Section [53G-3-301](#).

653 (2) (a) To initiate the school district creation process under Subsection (1), a  
654 municipality shall file a request with the clerk of each county in which any part of the proposed  
655 new school district is located.

656 (b) The filing municipality shall ensure that the request described in Subsection (2)(a):

657 (i) indicates the typed or printed and current residence address of each governing board  
658 member making a request;

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

660 (iii) designates up to five signers of the request as sponsors, including one as the  
661 contact sponsor, with the mailing address and telephone number of each.

662 (3) Within five business days after the day on which a request described in Subsection  
663 (2) is filed, the clerk of each county with which the request is filed shall:

664 (a) determine whether the request complies with Subsection (2) and Section  
665 [53G-3-301](#); and

666 (b) (i) if the county clerk determines that the request complies with the applicable  
667 requirements:

668 (A) certify the request and deliver the certified request to the municipality and each  
669 county legislative body; and

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

671 (ii) if the county clerk determines that the request fails to comply with any of the  
672 applicable requirements, reject the request and notify the contact sponsor in writing of the  
673 rejection and reasons for the rejection.

674 (4) (a) If the county clerk fails to certify or reject a request within the time specified in  
675 Subsection (3), the request is considered to be certified.

676 (b) If the county clerk rejects a request, the municipality that submitted the request may

677 amend the request to correct the deficiencies for which the county clerk rejected the request and  
678 refile the request.

679 (5) (a) Within 10 days after the day on which a municipal legislative body receives a  
680 certification as described in Subsection (3) or (4), a municipal legislative body shall request  
681 that the Legislative Audit Subcommittee consider prioritizing a feasibility study, as that term is  
682 defined in Section 53G-3-102.

683 (b) For the year 2024, the municipal legislative body may use a feasibility study that  
684 the municipal legislative body conducted before July 31, 2024, if:

685 (i) the feasibility study contains the determinations described in Section 53G-3-102;  
686 and

687 (ii) the municipality receives a report and recommendation regarding the feasibility  
688 study in a public meeting.

689 (6) (a) The municipal legislative body shall:

690 (i) provide for a 60-day public comment period to begin on the day the study is  
691 presented to the municipal legislative body under Subsection (5); and

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

694 (b) Within 14 days after the day on which the public comment period ends, the  
695 municipal legislative body shall vote on the creation of the proposed new school district.

696 (c) A municipal legislative body approves a proposal if a majority of the municipal  
697 legislative body vote in favor of the proposal.

698 (d) Within five business days after the day on which the municipal legislative body  
699 approves a proposal, the municipal legislative body shall notify the legislative body of each  
700 county described in Subsection (2)(a).

701 (7) (a) The legislative body of each county described in Subsection (2) shall submit the  
702 proposal to the county clerk to be voted on:

703 (i) by the legal voters residing within the proposed new school district boundaries;

704 (ii) in accordance with the procedures and requirements applicable to a regular general  
705 election under Title 20A, Election Code; and

706 (iii) at the next regular general election or municipal general election, whichever is  
707 first.

708 (b) A new school district is created if a majority of the legal voters within the proposed  
709 new school district boundaries voting on the proposal vote in favor of the creation of the new  
710 district.

711 (8) Nothing in this section prevents a municipality from assisting the new school  
712 district or reorganized new school district by:

713 (a) entering into a loan agreement with the new school district or reorganized new  
714 school district; or

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

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

718 **53G-3-301.4. Creation of a new school district -- By interlocal agreement**  
719 **participants -- Procedures to follow.**

720 (1) Interlocal agreement participants may initiate the process to create a new school  
721 district in accordance with this section and with Section [53G-3-301](#).

722 (2) (a) By a majority vote of each legislative body, the legislative body of a  
723 municipality, together with at least one other municipality, may enter into an interlocal  
724 agreement in accordance with Title 11, Chapter 13, Interlocal Cooperation Act, for the purpose  
725 of submitting for voter approval a measure to create a new school district if:

726 (i) except as provided in Subsection (3), the new school district boundaries comply  
727 with the requirements of Section [53G-3-301](#); and

728 (ii) the combined population within the proposed new school district of the interlocal  
729 agreement participants is at least 80% of the total population of the proposed new school  
730 district.

731 (b) A county may only participate in an interlocal agreement under this Subsection (2)  
732 for the unincorporated areas of the county.

733 (c) Boundaries of a new school district created under this section may include:

734 (i) a portion of one or more existing school districts; and

735 (ii) a portion of the unincorporated area of a county.

736 (3) (a) As used in this Subsection (3), "municipality's school district" means the school  
737 district that includes all of the municipality in which the isolated area is located except the  
738 isolated area, as that term is defined in Section [53G-3-102](#).



739 (b) Notwithstanding Subsection 53G-3-301(3), a municipality may be a participant in  
740 an interlocal agreement under Subsection (2)(a) with respect to some but not all of the area  
741 within the municipality's boundaries if:

742 (i) the portion of the municipality proposed to be included in the new school district  
743 would, if not included, become an isolated area upon the creation of the new school district; or

744 (ii) (A) the portion of the municipality proposed to be included in the new school  
745 district is within the boundaries of the same school district that includes the other interlocal  
746 agreement participants; and

747 (B) the portion of the municipality proposed to be excluded from the new school  
748 district is within the boundaries of a school district other than the school district that includes  
749 the other interlocal agreement participants.

750 (c) (i) Notwithstanding Subsection 53G-3-301(3), interlocal agreement participants  
751 may submit a proposal to the legal voters residing within the proposed new school district  
752 boundaries to create a new school district in accordance with an interlocal agreement under  
753 Subsection (2)(a), even though the new school district boundaries would create an isolated  
754 area, as that term is defined in Section 53G-3-102, if:

755 (A) the potential isolated area is contiguous to one or more of the interlocal agreement  
756 participants;

757 (B) the interlocal participants submit a written request to the municipality in which the  
758 potential isolated area is located, requesting the municipality to enter into an interlocal  
759 agreement under Subsection (2)(a) that proposes to submit for voter approval a measure to  
760 create a new school district that includes the potential isolated area; and

761 (C) the municipality, to which the interlocal agreement participants submitted a request  
762 under Subsection (3)(c)(i)(B), did not respond to the written request within 30 days after the  
763 day on which the request was submitted.

764 (ii) Each municipality receiving a request under Subsection (3)(c)(i) shall hold at least  
765 two public hearings to allow input from the public and affected school districts regarding  
766 whether or not the municipality should enter into an interlocal agreement with respect to the  
767 potential isolated area.

768 (iii) A municipal legislative body approves a proposal to enter into an interlocal  
769 agreement with respect to the potential isolated area if a majority of the municipal legislative

770 body votes in favor of the proposal.

771 (d) (i) The isolated area described in this Subsection (3) shall, on July 1 of the calendar  
772 year following the local school board general election date described in Section [53G-3-302](#),  
773 become part of the municipality's school district.

774 (ii) The divided district shall continue to provide educational services to the isolated  
775 area until July 1 of the calendar year following the local school board general election date  
776 described in Section [53G-3-302](#).

777 (4) (a) To initiate the school district creation process under Subsection (1), interlocal  
778 agreement participants shall file a request with the clerk of each county in which any part of the  
779 proposed new school district is located.

780 (b) The filing interlocal agreement participants shall ensure that the request described  
781 in Subsection (4)(a):

782 (i) indicates the typed or printed and current residence address of each governing board  
783 member making a request;

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

785 (iii) designates up to five signers of the request as sponsors, including as the contact  
786 sponsor, with the mailing address and telephone number of each.

787 (5) Within five business days after the day on which a request described in Subsection  
788 (4)(a) is filed, the clerk of each county with which the request is filed shall:

789 (a) determine whether the request complies with this section and Section [53G-3-301](#);  
790 and

791 (b) (i) if the county clerk determines that the request complies with the applicable  
792 requirements:

793 (A) certify the request and deliver the certified request to the legislative bodies of the  
794 interlocal agreement participants; and

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

796 (ii) if the county clerk determines that the request fails to comply with any of the  
797 applicable requirements, reject the request and notify the contact sponsor in writing of the  
798 rejection and reasons for the rejection.

799 (6) (a) If the county clerk fails to certify or reject a request within the time specified in  
800 Subsection (5), the request is considered to be certified.

801 (b) (i) If the county clerk rejects a request, the interlocal agreement participants that  
802 submitted the request may amend the request to correct the deficiencies for which the county  
803 clerk rejected the request, and refile the request.

804 (7) (a) Within 30 days after the day on which the contact sponsor receives certification  
805 as described in Subsection (5) or (6), the contact sponsor shall request that the Legislative  
806 Audit Subcommittee consider prioritizing a feasibility study, as that term is defined in Section  
807 53G-3-102.

808 (b) For the year 2024, the interlocal agreement participants may use a feasibility study  
809 that interlocal agreement participants conducted before July 31, 2024, if:

810 (i) the feasibility study contains the determinations described in Section 53G-3-102;  
811 and

812 (ii) the legislative bodies of the interlocal agreement participants receive a report and  
813 recommendation regarding the feasibility study in a public meeting.

814 (8) (a) The legislative bodies of the interlocal agreement participants shall:

815 (i) provide for a 60-day public comment period to begin on the day on which the  
816 legislative bodies of the interlocal agreement participants receive the report under Subsection  
817 (7); and

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

820 (b) Within 14 days after the day on which the public comment period ends, the  
821 legislative bodies of the interlocal agreement participants shall vote on the creation of the  
822 proposed new school district.

823 (c) The interlocal agreement participants approve a proposal if a majority of each of the  
824 legislative bodies of the interlocal agreement participants' members vote in favor of the  
825 proposal.

826 (9) (a) Within five business days after the day on which the interlocal agreement  
827 participants approve a proposal, the interlocal agreement participants shall notify the legislative  
828 body of each county described in Subsection (4)(a).

829 (b) The legislative body of each county described in Subsection (4) shall submit the  
830 proposal to the respective clerk of each county to be voted on:

831 (i) by the legal voters residing within the proposed new school district boundaries;

832 (ii) in accordance with the procedures and requirements applicable to a regular general  
833 election under Title 20A, Election Code; and

834 (iii) at the next regular general election or municipal general election, whichever is  
835 first.

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

839 (11) Nothing in this section prevents an interlocal agreement participant from assisting  
840 the new school district or reorganized new school district by:

841 (a) entering into a loan agreement with the new school district or reorganized new  
842 school district; or

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

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

846 **53G-3-302. Election of local school board members -- Allocation of assets and**  
847 **liabilities -- Startup costs -- Transfer of title.**

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

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

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

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

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

856 (ii) the new school district and reorganized new school district shall divide the assets  
857 and liabilities of the divided school district between the new school district and the reorganized  
858 new school district as provided in Subsection (3) and Section **53G-3-307**;

859 (iii) transferred employees shall be treated in accordance with Sections **53G-3-205** and  
860 **53G-3-308**;

861 (iv) an individual residing within the boundaries of a new school district or reorganized  
862 new school district at the time the new school district is created may, for six school years

863 following the creation of the new school district, elect to enroll in a secondary school located  
864 outside the boundaries of the reorganized new school district if:

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

867 (B) the individual would have been eligible to enroll in that secondary school had the  
868 new school district not been created;

869 (v) the reorganized new school district in which the secondary school is located shall  
870 provide educational services, including, if provided before the creation of the new school  
871 district, busing to each individual making an election under Subsection (1)(a)(iv) for each  
872 school year for which the individual makes the election; and

873 (vi) within one year following the date on which the new school district begins  
874 providing educational services, the superintendent of each affected school district shall meet,  
875 together with the state superintendent, to determine if further boundary changes should take  
876 place in accordance with Section [53G-3-501](#).

877 (b) (i) The county legislative body shall stagger and adjust the terms of the initial  
878 members of the local school boards of the new school district and the reorganized new school  
879 district so that approximately half of the local school board is elected every two years following  
880 the allocation date in accordance with Section [20A-1-104](#).

881 (ii) The term of a member of the divided school district local school board terminates  
882 on January 1 of the year following the allocation date, or as determined under Subsection  
883 ((1)(b)(i).

884 (iii) Notwithstanding the existence of the new school district local school board and the  
885 reorganized new school district local school board under Subsection (1)(a)(i), the divided  
886 school district local school board shall continue to function and exercise authority as a local  
887 school board until the allocation date to the extent necessary to continue to provide educational  
888 services to the entire divided school district.

889 (iv) An individual may simultaneously serve as or be elected to be a member of the  
890 local school board of a divided school district and a member of the local school board of:

891 (A) a new school district; or

892 (B) a reorganized new school district.

893 (2) (a) The divided school district local school board shall, within 60 days after the

894 creation date:

895 (i) prepare an inventory of the divided school district's:

896 (A) assets, both tangible and intangible, real and personal; and

897 (B) liabilities; and

898 (ii) deliver a copy of the inventory to the Office of the Legislative Auditor General.

899 (b) Following the local school board election date described in Subsection (1)(a), the  
900 new school district and reorganized new school district local school boards shall:

901 (i) request a copy of the inventory described in Subsection (2)(a) from the Office of the  
902 Legislative Auditor General;

903 (ii) determine the allocation of the divided school district's assets and, except for  
904 indebtedness under Section [53G-3-307](#), liabilities of the new school district and reorganized  
905 new school district in accordance with Subsection (3);

906 (iii) prepare a written report detailing the allocation under Subsection (2)(b)(ii); and

907 (iv) deliver a copy of the written report to the Office of the Legislative Auditor General  
908 and the divided school district local board.

909 (c) The new school district and reorganized new school district local boards shall  
910 determine the allocation under Subsection (2)(b) and deliver the report required under  
911 Subsection (2)(b) on or before August 1 of the year following the creation date, unless that  
912 deadline is extended by mutual agreement of the new school district and reorganized new  
913 school district local boards.

914 (3) (a) As used in this Subsection (3):

915 (i) "Associated property" means furniture, equipment, or supplies located in or  
916 specifically associated with a physical asset.

917 (ii) (A) "Discretionary asset or liability" means, except as provided in Subsection  
918 (3)(a)(ii)(B), an asset or liability that is not tied to a specific project, school, student, or  
919 employee by law or school district accounting practice.

920 (B) "Discretionary asset or liability" does not include a physical asset, associated  
921 property, a vehicle, or bonded indebtedness.

922 (iii) (A) "Nondiscretionary asset or liability" means, except as provided in Subsection  
923 (3)(a)(iii)(B), an asset or liability that is tied to a specific project, school, student, or employee  
924 by law or school district accounting practice.

925 (B) "Nondiscretionary asset or liability" does not include a physical asset, associated  
926 property, a vehicle, or bonded indebtedness.

927 (iv) "Physical asset" means a building, land, or water right together with revenue  
928 derived from the lease or use of the building, land, or water right.

929 (b) Except as provided under Subsection (3)(c), the new school district and reorganized  
930 new school district local school boards shall allocate all assets and liabilities the divided school  
931 district owns on the allocation date, both tangible and intangible, real and personal as follows:

932 (i) a physical asset and associated property asset shall be allocated to the school district  
933 in which the physical asset is located;

934 (ii) a discretionary asset or liability shall be allocated between the new school district  
935 and reorganized new school district in proportion to the student population of the school  
936 districts;

937 (iii) vehicles used for pupil transportation shall be allocated:

938 (A) according to the transportation needs of schools, as measured by the number and  
939 assortment of vehicles used to serve eligible state supported transportation routes serving  
940 schools within the new school district and the reorganized new school district; and

941 (B) in a manner that gives each school district a fleet of vehicles for pupil  
942 transportation that is equivalent in terms of age, condition, and variety of carrying capacities;  
943 and

944 (iv) other vehicles shall be allocated:

945 (A) in proportion to the student population of the school districts; and

946 (B) in a manner that gives each district a fleet of vehicles that is similar in terms of age,  
947 condition, and carrying capacities.

948 (c) By mutual agreement, the new school district and reorganized new school district  
949 local school boards may allocate an asset or liability in a manner different than the allocation  
950 method specified in Subsection (3)(b).

951 (4) (a) As used in this Subsection (4):

952 (i) "New school district startup costs" means the costs and expenses incurred by a new  
953 school district in order to prepare to begin providing educational services on July 1 of the  
954 calendar year following the local school board general election or special election date  
955 described in Subsection (1)(a)(i).

956 (ii) "Reorganized new school district startup costs" means the costs and expenses that a  
957 reorganized new school district incurs to make necessary adjustments to deal with the impacts  
958 resulting from the creation of the new school district and to prepare to provide educational  
959 services within the reorganized new school district once the new school district begins  
960 providing educational services within the new school district.

961 (b) On or before January 1 of the year following the new local school board general  
962 election or special election date described in Subsection (1)(a)(i), the divided school district  
963 shall make half of the unassigned reserve fund from the divided school district's general fund  
964 available for the use of the reorganized new school district and the new district in proportion to  
965 the student population of each new school district.

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

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

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

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

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

976 (5) (a) The divided school district shall transfer title or, if applicable, partial title of  
977 property to the new school district and the reorganized new school district in accordance with  
978 the allocation of property as stated in the report under Subsection (2)(b)(iii).

979 (b) The divided school district shall complete each transfer of title or, if applicable,  
980 partial title to real property and vehicles on or before one calendar year from the date of the  
981 local school board election date described in Subsection (1)(a)(i), except as that date is changed  
982 by the mutual agreement of:

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

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

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

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



987 in Subsection (5)(b) on or before November 1 of the calendar year following the local school  
 988 board election date described in Subsection (1)(a)(i).

989 (6) Except as provided in Subsection (5), a divided school district may not transfer or  
 990 agree to transfer title to district property beginning on the day the new school district or  
 991 reorganized new school district is created without the prior consent of:

992 (a) the legislative body of the municipality in which the boundaries for the new school  
 993 district or reorganized new school district are entirely located; or

994 (b) the legislative bodies of all interlocal agreement participants in which the  
 995 boundaries of the new school district or reorganized new school district are located.

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

997 **53G-3-303. New school district property tax -- Limitations.**

998 [~~(1)(a) A new school district created under Section [53G-3-302](#) may not impose a~~  
 999 ~~property tax prior to the fiscal year in which the new school district assumes responsibility for~~  
 1000 ~~providing student instruction.]~~

1001 [~~(b) The remaining school district retains authority to impose property taxes on the~~  
 1002 ~~existing school district, including the territory of the new school district, until the fiscal year in~~  
 1003 ~~which the new school district assumes responsibility for providing student instruction.]~~

1004 (1) A new school district, created under Section [53G-3-301.1](#), [53G-3-301.2](#),  
 1005 [53G-3-301.3](#), or [53G-3-301.4](#), and a reorganized new school district may not impose a property  
 1006 tax before the fiscal year in which the new school district and reorganized new school district  
 1007 assume responsibility for providing student instruction.

1008 (2) (a) If at the time a new school district created [pursuant to Section [53G-3-302](#)  
 1009 assumes] in accordance with Section [53G-3-301.1](#), [53G-3-301.2](#), [53G-3-301.3](#), or [53G-3-301.4](#)  
 1010 assumes responsibility for student instruction any portion of the territory within the new school  
 1011 district was subject to a levy pursuant to Section [53F-8-301](#), the new school district's board  
 1012 may:

1013 (i) discontinue the levy for the new school district;

1014 (ii) impose a levy on the new school district as provided in Section [53F-8-301](#); or

1015 (iii) impose the levy on the new school district, subject to Subsection (2)(b).

1016 (b) If the new school district's local school board applies a levy to the new school  
 1017 district [~~pursuant to~~] in accordance with Subsection (2)(a)(iii), the levy may not exceed the

1018 maximum duration or rate authorized by the voters of the ~~[existing]~~ divided school district [~~or~~  
1019 ~~districts]~~ at the time of the vote to create the new school district.

1020 Section 13. Section **53G-3-304** is amended to read:

1021 **53G-3-304. Property tax levies in new district and reorganized new district --**  
1022 **Distribution of property tax revenue.**

1023 [~~(1) Notwithstanding terms defined in Section 53G-3-102, as used in this section:]~~

1024 [~~(a) "Divided school district" or "existing district" means a school district from which a~~  
1025 ~~new district is created.]~~

1026 [~~(b) "New district" means a school district created under Section 53G-3-302 after May~~  
1027 ~~10, 2011.]~~

1028 [~~(c) "Property tax levy" means a property tax levy that a school district is authorized to~~  
1029 ~~impose, except:]~~

1030 [~~(i) the minimum basic tax rate imposed under Section 53F-2-301;~~

1031 [~~(ii) a debt service levy imposed under Section 11-14-310; or]~~

1032 [~~(iii) a judgment levy imposed under Section 59-2-1330.]~~

1033 [~~(d) "Qualifying taxable year" means the calendar year in which a new district begins to~~  
1034 ~~provide educational services.]~~

1035 [~~(e) "Remaining district" means an existing district after the creation of a new district.]~~

1036 [~~(2)~~] (1) As used in this section:

1037 (a) "Property tax levy" means a property tax levy that a school district is authorized to  
1038 impose, except:

1039 (i) the minimum basic tax rate imposed under Section 53F-2-301;

1040 (ii) a debt service levy imposed under Section 11-14-310;

1041 (iii) a judgment levy imposed under Section 59-2-1330; or

1042 (iv) charter school tax rate.

1043 (b) "Qualifying taxable year" means the calendar year in which a new district begins to  
1044 provide educational services.

1045 (2) A new school district and [~~remaining~~] reorganized new school district shall  
1046 continue to impose property tax levies that were imposed by the divided school district in the  
1047 taxable year [~~prior to~~] before the qualifying taxable year.

1048 (3) Except as provided in Subsection (6), a property tax levy that a new school district

1049 and [~~remaining~~] reorganized new school district are required to impose under Subsection (2)  
1050 shall be set at a rate that:

1051 (a) is uniform in the new school district and [~~remaining~~] reorganized new school  
1052 district; and

1053 (b) generates the same amount of revenue that was generated by the property tax levy  
1054 within the divided school district in the taxable year [~~prior to~~] before the qualifying taxable  
1055 year.

1056 (4) The county treasurer of the county in which a property tax levy is imposed under  
1057 Subsection (2) shall distribute revenues generated by the property tax levy to the new school  
1058 district and [~~remaining~~] reorganized new school district in proportion to the percentage of the  
1059 divided school district's enrollment on the October 1 [~~prior to~~] before the new school district  
1060 [~~commencing~~] or reorganized new school district commences educational services that were  
1061 enrolled in schools currently located in the new school district or [~~remaining~~] reorganized new  
1062 school district.

1063 (5) On or before March 31, a county treasurer shall distribute revenues generated by a  
1064 property tax levy imposed under Subsection (2) in the [~~prior~~] previous calendar year to a new  
1065 school district and [~~remaining~~] reorganized new school district as provided in Subsection (4).

1066 (6) (a) Subject to the notice and public hearing requirements of Section 59-2-919, a  
1067 new school district or [~~remaining~~] reorganized new school district may set a property tax rate  
1068 higher than the rate required by Subsection (3), up to:

1069 (i) the maximum rate, if any, allowed by law; or

1070 (ii) the maximum rate authorized by voters for a voted local levy under Section

1071 [53F-8-301](#).

1072 (b) The revenues generated by the portion of a property tax rate in excess of the rate  
1073 required by Subsection (3) shall be retained by the district that imposes the higher rate.

1074 Section 14. Section **53G-3-305** is amended to read:

1075 **53G-3-305. Redistricting -- Local school board membership.**

1076 (1) Upon the creation of a new school district in accordance with Section [53G-3-301.1](#),  
1077 [53G-3-301.2](#), [53G-3-301.3](#), or [53G-3-301.4](#), the applicable legislative body shall redistrict the  
1078 affected school districts in accordance with Section [20A-14-201](#).

1079 (2) Except as provided in Section [53G-3-302](#), local school board membership in the

1080 affected school districts shall be determined under Title 20A, Chapter 14, Part 2, Election of  
1081 Members of Local Boards of Education.

1082 Section 15. Section **53G-3-306** is amended to read:

1083 **53G-3-306. Transfer of school property to new school district and reorganized**  
1084 **new school district.**

1085 ~~[(1)(a)(i) On July 1 of the year following the local school board elections for a new~~  
1086 ~~district created pursuant to a citizens' initiative petition or local school board request under~~  
1087 ~~Section **53G-3-301** and an existing district as provided in Section **53G-3-305**, the local school~~  
1088 ~~board of the existing district shall convey and deliver to the local school board of the new~~  
1089 ~~district all school property which the new district is entitled to receive.]~~

1090 ~~[(ii) Any disagreements as to the disposition of school property shall be resolved by the~~  
1091 ~~county legislative body.]~~

1092 ~~[(iii) Subsection (1)(a)(ii) does not apply to disagreements between transition teams~~  
1093 ~~about the proper allocation of property under Subsection **53G-3-302(4)**.]~~

1094 ~~[(b) An existing district shall transfer property to a new district created under Section~~  
1095 ~~**53G-3-302** in accordance with Section **53G-3-302**.]~~

1096 [(2)] (1) On July 1 of the calendar year following the local school board elections for a  
1097 new school district and a reorganized new school district under this part, the divided school  
1098 district's local school board shall convey and deliver to the new school district local school  
1099 board and the reorganized new school district local school board all school property to which  
1100 each new school district is entitled.

1101 (2) Title vests in the new local school board, including all rights, claims, and causes of  
1102 action to or for the property, for the use or the income from the property, for conversion,  
1103 disposition, or withholding of the property, or for any damage or injury to the property.

1104 (3) The new local school board may bring and maintain actions to recover, protect, and  
1105 preserve the property and rights of the district's schools and to enforce contracts.

1106 Section 16. Section **53G-3-307** is amended to read:

1107 **53G-3-307. Tax to pay for indebtedness of divided school district.**

1108 ~~[(1)(a) For a new district created prior to May 10, 2011, the local school boards of the~~  
1109 ~~remaining and new districts shall determine the portion of the divided school district's bonded~~  
1110 ~~indebtedness and other indebtedness for which the property within the new district remains~~

1111 subject to the levy of taxes to pay a proportionate share of the divided school district's  
1112 outstanding indebtedness.]

1113 [~~(b)~~ The proportionate share of the divided school district's outstanding indebtedness  
1114 for which property within the new district remains subject to the levy of taxes shall be  
1115 calculated by determining the proportion that the total assessed valuation of the property within  
1116 the new district bears to the total assessed valuation of the divided school district.]

1117 [(i) in the year immediately preceding the date the new district was created; or]

1118 [(ii) at a time mutually agreed upon by the local school boards of the new district and  
1119 the remaining district.]

1120 [(c) The agreement reflecting the determinations made under this Subsection (1) shall  
1121 take effect upon being filed with the county legislative body and the state board.]

1122 [(2)(a) Except as provided in Subsection (2)(b), the local school board of a new  
1123 district created prior to May 10, 2011, shall levy a tax on property within the new district  
1124 sufficient to pay the new district's proportionate share of the indebtedness determined under  
1125 Subsection (1).]

1126 [(b) If a new district has money available to pay the new district's proportionate share  
1127 of the indebtedness determined under Subsection (1), the new district may abate a property tax  
1128 to the extent of money available.]

1129 [(3)] (1) As used in Subsections [(4)] (2) and [(5)] (3), "outstanding bonded  
1130 indebtedness" means debt owed for a general obligation bond or lease revenue bond issued by  
1131 the divided school district:

1132 (a) [~~prior to~~] before the creation of the new school district; or

1133 (b) in accordance with a mutual agreement of the local school boards of the  
1134 [~~remaining~~] reorganized new school district and [~~new districts~~] the new school district under  
1135 Subsection [(6)] (4).

1136 [(4)] (2) If a new school district is created on or after May 10, 2011, property within  
1137 the new school district and the [~~remaining~~] reorganized new school district is subject to the  
1138 levy of a tax to pay the divided school district's outstanding bonded indebtedness as provided in  
1139 Subsection [(5)] (3).

1140 [(5)] (3) (a) Except as provided in Subsection [(5)(b)] (3)(b), the local school board of  
1141 the new school district and the local school board of the [~~remaining~~] reorganized new school

1142 district shall impose a tax levy at a rate that:

1143 (i) generates from the combined districts the amount of revenue required each year to  
1144 meet the outstanding bonded indebtedness of the divided school district; and

1145 (ii) is [~~uniform within~~] based on the adjusted assessed value of the new school district  
1146 and [~~remaining~~] reorganized new school district.

1147 (b) A local school board of a new school district may abate a property tax required to  
1148 be imposed under Subsection [~~(5)(a)~~] (3)(a) to the extent the new school district has money  
1149 available to pay to the [~~remaining~~] reorganized new school district the amount of revenue that  
1150 would be generated within the new school district from the tax rate specified in Subsection  
1151 [~~(5)(a)~~] (3)(a).

1152 [~~(6)~~] (4) (a) The local school boards of the [~~remaining~~] new school district and [~~new~~  
1153 ~~districts~~] the reorganized new school district shall determine by mutual agreement the  
1154 disposition of bonds approved but not issued by the divided school district before the creation  
1155 of the new school district and reorganized new school district based primarily on the  
1156 representation made to the voters at the time of the bond election.

1157 (b) Before a determination is made under Subsection [~~(6)(a)~~] (4)(a), a [~~remaining~~]  
1158 reorganized new school district may not issue bonds approved but not issued before the  
1159 creation of the new school district and reorganized new school district if property in the new  
1160 school district would be subject to the levy of a tax to pay the bonds.

1161 Section 17. Section **53G-3-308** is amended to read:

1162 **53G-3-308. Employees of a new district.**

1163 (1) Upon the creation of a new school district:

1164 (a) an employee of [~~an existing~~] a divided school district who is employed at a school  
1165 that is transferred to the new school district shall become an employee of the [~~new~~] district in  
1166 which the school is located; and

1167 (b) the local school board of the new school district shall:

1168 (i) have discretion in the hiring of all other staff;

1169 (ii) adopt the personnel policies and practices of the [~~existing~~] divided school district,  
1170 including salary schedules and benefits; and

1171 (iii) enter into agreements with employees of the new school district, or [~~their~~] the new  
1172 school district employees' representatives, that have the same terms as those in the negotiated

1173 agreements between the [~~existing~~] divided school district and [~~its~~] the divided school district's  
1174 employees that existed on or before the creation date.

1175 (2) (a) Subject to Subsection (2)(b), an employee of a school district from which a new  
1176 district is created who becomes an employee of the new school district shall retain the same  
1177 status as a career or provisional employee with accrued seniority and accrued benefits.

1178 (b) Subsection (2)(a) applies to:

1179 (i) employees of [~~an existing~~] a divided school district who are transferred to a new  
1180 school district [~~pursuant to~~] as described in Subsection (1)(a); and

1181 (ii) employees of a school district from which a new school district is created who are  
1182 hired by the new school district within one year of the date of the creation of the new school  
1183 district.

1184 (3) An employee who is transferred to a new school district [~~pursuant to~~] in accordance  
1185 with Subsection (1)(a) and is [~~rehired~~] hired by the [~~existing~~] the reorganized new school  
1186 district within one year of the date of the creation of the new school district shall, when  
1187 [~~rehired~~] hired by the [~~existing~~] reorganized new school district, retain the same status as a  
1188 career or provisional employee with accrued seniority and accrued benefits.

1189 (4) Before the new school district commences educational services, the reorganized  
1190 new school district's local school board may not dismiss an employee of the reorganized new  
1191 school district who is transferred to the new school district for the sole reason that the  
1192 employee becomes an employee of the new school district.

1193 Section 18. **Effective date.**

1194 This bill takes effect on May 1, 2024.