

**AMENDMENTS TO EDUCATION FINANCING**

2010 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Merlynn T. Newbold**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends provisions in the Minimum School Program Act and the Property Tax Act relating to certain property tax levies and the funding of public school programs.

**Highlighted Provisions:**

This bill:

- ▶ repeals the authority of school districts to levy certain property taxes;
- ▶ sets the statewide minimum basic tax rate at a fixed rate beginning in 2011;
- ▶ requires the Legislature to increase the value of the weighted pupil unit for purposes of determining school districts' income tax funding by an amount equal to the increased amount of revenue generated statewide by the minimum basic tax rate from the prior year;
- ▶ creates a board local discretionary levy and a capital discretionary levy for school districts;
- ▶ sets the tax rates for the board local discretionary levy and the capital discretionary levy for the first taxable year;
- ▶ provides procedures for setting a school district's certified tax rate after the first taxable year;
- ▶ adjusts a school district's certified tax rate due to the repeal or amendment of the property taxing authority of the school district;
- ▶ defines terms; and



28           ▶ makes technical changes.

29 **Monies Appropriated in this Bill:**

30           None

31 **Other Special Clauses:**

32           This bill takes effect on January 1, 2011.

33 **Utah Code Sections Affected:**

34 **AMENDS:**

35           **11-2-7**, as last amended by Laws of Utah 1961, Chapters 25 and 30

36           **11-13-302**, as last amended by Laws of Utah 2008, Chapters 236 and 382

37           **20A-1-203**, as last amended by Laws of Utah 2008, Chapter 16

38           **53A-1a-106**, as last amended by Laws of Utah 2003, Chapter 221

39           **53A-1a-513**, as last amended by Laws of Utah 2009, Chapter 391

40           **53A-2-114**, as last amended by Laws of Utah 2008, Chapter 236

41           **53A-2-115**, as last amended by Laws of Utah 2008, Chapter 236

42           **53A-2-118.2**, as enacted by Laws of Utah 2007, Chapter 297

43           **53A-2-118.3**, as enacted by Laws of Utah 2008, Chapter 236

44           **53A-2-206**, as last amended by Laws of Utah 2008, Chapter 382

45           **53A-2-214**, as enacted by Laws of Utah 2008, Chapter 233

46           **53A-3-415**, as last amended by Laws of Utah 1991, Chapter 72

47           **53A-16-107**, as last amended by Laws of Utah 2008, Chapter 236

48           **53A-16-110**, as last amended by Laws of Utah 2008, Chapter 236

49           **53A-17a-103**, as last amended by Laws of Utah 2008, Chapters 61 and 397

50           **53A-17a-104**, as last amended by Laws of Utah 2009, Chapters 4 and 391

51           **53A-17a-105**, as last amended by Laws of Utah 2009, Chapter 183

52           **53A-17a-127**, as last amended by Laws of Utah 2009, Chapter 391

53           **53A-17a-133**, as last amended by Laws of Utah 2009, Chapters 204 and 391

54           **53A-17a-134**, as last amended by Laws of Utah 2009, Chapter 391

55           **53A-17a-135**, as last amended by Laws of Utah 2009, Chapter 391

56           **53A-17a-136**, as renumbered and amended by Laws of Utah 1991, Chapter 72

57           **53A-17a-143**, as last amended by Laws of Utah 1995, Chapter 271

58           **53A-17a-145**, as renumbered and amended by Laws of Utah 1991, Chapter 72

- 59           **53A-17a-146**, as last amended by Laws of Utah 2009, Chapter 4
- 60           **53A-17a-150**, as enacted by Laws of Utah 2004, Chapter 305
- 61           **53A-17a-151**, as enacted by Laws of Utah 2004, Chapter 305
- 62           **53A-21-101.5**, as enacted by Laws of Utah 2008, Chapter 236
- 63           **59-2-904**, as last amended by Laws of Utah 1993, Chapter 4
- 64           **59-2-924**, as last amended by Laws of Utah 2009, Chapters 152, 204, 356, and 388
- 65           **59-2-924.3**, as last amended by Laws of Utah 2009, Chapter 204
- 66           **59-2-924.4**, as last amended by Laws of Utah 2009, Chapter 204
- 67           **59-2-926**, as last amended by Laws of Utah 2009, Chapter 388
- 68           **63G-7-704**, as renumbered and amended by Laws of Utah 2008, Chapter 382

69 ENACTS:

- 70           **53A-16-113**, Utah Code Annotated 1953
- 71           **53A-17a-164**, Utah Code Annotated 1953

72 RENUMBERS AND AMENDS:

- 73           **53A-16-114**, (Renumbered from 53A-16-107.1, as enacted by Laws of Utah 2008,
- 74 Chapter 236)

75 REPEALS:

- 76           **53A-16-111**, as enacted by Laws of Utah 1988, Chapter 2



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

79           Section 1. Section **11-2-7** is amended to read:

80           **11-2-7. Expenses -- Payment of -- Authority to appropriate and tax -- Licensing**  
81 **of television owners and users -- Collection of license fees -- Exception for a school**  
82 **district.**

83           (1) (a) All expenses incurred in the equipment, operation and maintenance of such  
84 recreational facilities and activities shall be paid from the treasuries of the respective cities,  
85 towns, counties, or school districts~~[, and]~~.

86           (b) Except as provided in Subsection (3), the governing bodies of the same may  
87 annually appropriate, and cause to be raised by taxation, money for such purposes.

88           (2) In areas so remote from regular transmission points of the large television stations  
89 that television reception is impossible without special equipment and adequate, economical and

90 proper television is not available to the public by private sources, said local authorities may  
91 also, by ordinance, license, for the purpose of raising revenue to equip, operate and maintain  
92 television transmission and relay facilities, all users or owners of television sets within the  
93 jurisdiction of said local authorities, and may provide for the collection of the license fees by  
94 suit or otherwise and may also enforce obedience to such ordinances with such fine and  
95 imprisonment as the local authorities [~~deem~~] consider proper; provided that the punishment for  
96 any violation of such ordinances shall be by a fine not exceeding \$50.00 or by imprisonment  
97 not exceeding one day for each \$5.00 of said fine, if the fine is not paid.

98 (3) Beginning January 1, 2011, a local school board may not levy a tax in accordance  
99 with this section.

100 Section 2. Section **11-13-302** is amended to read:

101 **11-13-302. Payment of fee in lieu of ad valorem property tax by certain energy**  
102 **suppliers -- Method of calculating -- Collection -- Extent of tax lien.**

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

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

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

111 (i) with respect to each taxing jurisdiction that is a candidate receiving the benefit of  
112 impact alleviation payments under contracts or determination orders provided for in Sections  
113 11-13-305 and 11-13-306, with the fiscal year of the candidate following the fiscal year of the  
114 candidate in which the date of commercial operation of the last generating unit, other than any  
115 generating unit providing additional project capacity, of the project occurs, or, in the case of  
116 any facilities providing additional project capacity, with the fiscal year of the candidate  
117 following the fiscal year of the candidate in which the date of commercial operation of the  
118 generating unit providing the additional project capacity occurs; and

119 (ii) with respect to any taxing jurisdiction other than a taxing jurisdiction described in  
120 Subsection (1)(c)(i), with the fiscal year of the taxing jurisdiction in which construction of the

121 project commences, or, in the case of facilities providing additional project capacity, with the  
122 fiscal year of the taxing jurisdiction in which construction of those facilities commences.

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

125 (2) (a) The annual fees due a school district shall be as provided in Subsection (2)(b)  
126 because the ad valorem property tax imposed by a school district and authorized by the  
127 Legislature under Section 53A-17a-135 represents both:

128 (i) a levy mandated by the state for the state minimum school program under Section  
129 53A-17a-135; and

130 (ii) local levies for capital outlay, maintenance, transportation, and other purposes  
131 under Sections [~~11-2-7, 53A-16-107, 53A-16-110, 53A-17a-126, 53A-17a-127, 53A-17a-133,~~  
132 ~~53A-17a-134, 53A-17a-143, and 53A-17a-145]~~ 53A-16-113, 53A-17a-133, and 53A-17a-164.

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

134 (i) the project entity shall pay to the school district an annual fee for the state minimum  
135 school program at the rate imposed by the school district and authorized by the Legislature  
136 under Subsection 53A-17a-135(1); and

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

139 (A) an annual fee; or

140 (B) impact alleviation payments under contracts or determination orders provided for  
141 in Sections 11-13-305 and 11-13-306.

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

147 (b) As used in this section, "tax rate," when applied in respect to a school district,  
148 includes any assessment to be made by the school district under Subsection (2) or Section  
149 63M-5-302.

150 (c) There is to be credited against the annual fee due a taxing jurisdiction for each year,  
151 an amount equal to the debt service, if any, payable in that year by the project entity on bonds,

152 the proceeds of which were used to provide public facilities and services for impact alleviation  
153 in the taxing jurisdiction in accordance with Sections 11-13-305 and 11-13-306.

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

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

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

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

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

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

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

167 (A) the project entity; and

168 (B) any county that:

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

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

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

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

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

177 (iii) For purposes of an annual fee imposed by a taxing jurisdiction within a county  
178 described in Subsection (4)(b)(i)(B), the fee base determined by the agreement described in  
179 Subsection (4)(b)(i) shall be used for purposes of an annual fee imposed by that taxing  
180 jurisdiction.

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

183 portion of the project for which there is not an agreement:

184 (I) for that year; and

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

186 (B) The valuation required by Subsection (4)(b)(iv)(A) shall be made by the State Tax

187 Commission in accordance with rules made by the State Tax Commission.

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

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

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

191 (d) (i) The contracts of the project entity with the purchasers of the capacity, service, or

192 other benefits of the project whose tangible property is not exempted by Utah Constitution

193 Article XIII, Section 3, from the payment of ad valorem property tax shall require each

194 purchaser, whether or not located in the state, to pay, to the extent not otherwise provided for,

195 its share, determined in accordance with the terms of the contract, of these fees.

196 (ii) It is the responsibility of the project entity to enforce the obligations of the

197 purchasers.

198 (5) (a) The responsibility of the project entity to make payment of the annual fees is

199 limited to the extent that there is legally available to the project entity, from bond proceeds or

200 revenues, monies to make these payments, and the obligation to make payments of the annual

201 fees is not otherwise a general obligation or liability of the project entity.

202 (b) No tax lien may attach upon any property or money of the project entity by virtue of

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

204 (c) The project entity or any purchaser may contest the validity of an annual fee to the

205 same extent as if the payment was a payment of the ad valorem property tax itself.

206 (d) The payments of an annual fee shall be reduced to the extent that any contest is

207 successful.

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

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

210 (A) is not a project entity; and

211 (B) owns an interest in a facility providing additional project capacity if the interest is

212 otherwise exempt from taxation pursuant to Utah Constitution, Article XIII, Section 3; and

213 (ii) for a public agency described in Subsection (6)(a)(i), shall be calculated in

214 accordance with Subsection (6)(b).

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

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

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

220 (iii) the portion, expressed as a percentage, of the public agency's ownership interest  
221 that is attributable to the capacity, service, or other benefit from the facility that is sold by the  
222 public agency to an energy supplier or suppliers whose tangible property is not exempted by  
223 Utah Constitution, Article XIII, Section 3, from the payment of ad valorem property tax.

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

227 Section 3. Section **20A-1-203** is amended to read:

228 **20A-1-203. Calling and purpose of special elections.**

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

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

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

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

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

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

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

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

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

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



245 (i) a vote on a bond or debt issue;  
 246 (ii) a vote on a [~~voted leeway program~~] voted local discretionary levy authorized by  
 247 Section 53A-17a-133 [~~or 53A-17a-134~~];

248 (iii) an initiative authorized by Chapter 7, Part 5, Local Initiatives - [~~Procedure~~]  
 249 Procedures;

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

251 (v) if required or authorized by federal law, a vote to determine whether or not Utah's  
 252 legal boundaries should be changed;

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

254 (vii) a vote to elect members to school district boards for a new school district and a  
 255 remaining school district, as defined in Section 53A-2-117, following the creation of a new  
 256 school district under Section 53A-2-118.1; or

257 (viii) an election of town officers of a newly incorporated town under Subsection  
 258 10-2-125(9).

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

261 (i) the date for the local special election; and

262 (ii) the purpose for the local special election.

263 Section 4. Section **53A-1a-106** is amended to read:

264 **53A-1a-106. School district and individual school powers.**

265 (1) In order to acquire and develop the characteristics listed in Section 53A-1a-104,  
 266 each school district and each public school within its respective district shall implement a  
 267 comprehensive system of accountability in which students advance through public schools by  
 268 demonstrating competency in required skills and mastery of required knowledge through the  
 269 use of diverse assessment instruments such as authentic and criterion referenced tests, projects,  
 270 and portfolios.

271 (2) (a) Each school district and public school shall:

272 (i) develop and implement programs integrating technology into the curriculum,  
 273 instruction, and student assessment;

274 (ii) provide for teacher and parent involvement in policymaking at the school site;

275 (iii) implement a public school choice program to give parents, students, and teachers

276 greater flexibility in designing and choosing among programs with different focuses through  
277 schools within the same district and other districts, subject to space availability, demographics,  
278 and legal and performance criteria;

279 (iv) establish strategic planning at both the district and school level and site-based  
280 decision making programs at the school level;

281 (v) provide opportunities for each student to acquire and develop academic and  
282 occupational knowledge, skills, and abilities;

283 (vi) participate in ongoing research and development projects primarily at the school  
284 level aimed at improving the quality of education within the system; and

285 (vii) involve business and industry in the education process through the establishment  
286 of partnerships with the business community at the district and school level.

287 (b) (i) Each local school board, in consultation with school personnel, parents, and  
288 school community councils or similar entities shall establish policies to provide for the  
289 effective implementation of a personalized student education plan (SEP) or student  
290 education/occupation plan (SEOP) for each student at the school site.

291 (ii) The policies shall include guidelines and expectations for:

292 (A) recognizing the student's accomplishments, strengths, and progress towards  
293 meeting student achievement standards as defined in U-PASS;

294 (B) planning, monitoring, and managing education and career development; and

295 (C) involving students, parents, and school personnel in preparing and implementing  
296 SEPs and SEOPs.

297 (iii) A parent may request conferences with school personnel in addition to SEP or  
298 SEOP conferences established by local school board policy.

299 (iv) Time spent during the school day to implement SEPs and SEOPs is considered  
300 part of the school term referred to in Subsection 53A-17a-103~~(5)~~(4).

301 (3) A school district or public school may submit proposals to modify or waive rules or  
302 policies of a supervisory authority within the public education system in order to acquire or  
303 develop the characteristics listed in Section 53A-1a-104.

304 (4) (a) Each school district and public school shall make an annual report to its patrons  
305 on its activities under this section.

306 (b) The reporting process shall involve participation from teachers, parents, and the

307 community at large in determining how well the district or school is performing.

308 Section 5. Section **53A-1a-513** is amended to read:

309 **53A-1a-513. Funding for charter schools.**

310 (1) As used in this section:

311 (a) "Charter school students' average local revenues" means the amount determined as  
312 follows:

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

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

317 (iii) divide the sum calculated under Subsection (1)(a)(ii) by the number of students  
318 enrolled in charter schools on the previous October 1.

319 (b) "District per pupil local revenues" means:

320 (i) for fiscal year 2011-12, the amount determined as follows, using data from the most  
321 recently published school district annual financial reports and state superintendent's annual  
322 report:

323 [~~(i)~~] (A) calculate the sum of a school district's revenue received during the prior year  
324 from:

325 [~~(A)~~] (I) a voted levy imposed under Section 53A-17a-133;

326 [~~(B)~~] (II) a board levy imposed under Section 53A-17a-134;

327 [~~(C)~~] (III) 10% of the cost of the basic program levy imposed under Section  
328 53A-17a-145;

329 [~~(D)~~] (IV) a tort liability levy imposed under Section 63G-7-704;

330 [~~(E)~~] (V) a capital outlay levy imposed under Section 53A-16-107; and

331 [~~(F)~~] (VI) a voted capital outlay levy imposed under Section 53A-16-110; and

332 [~~(i)~~] (B) divide the sum calculated under Subsection (1)(b)(i)(A) by the sum of:

333 [~~(A)~~] (I) a school district's average daily membership; and

334 [~~(B)~~] (II) the average daily membership of a school district's resident students who  
335 attend charter schools[-]; and

336 (ii) for a fiscal year beginning on or after fiscal year 2012-13;

337 (A) calculate the sum of a school district's revenue received from:

338 (I) a voted local discretionary levy imposed under Section 53A-17a-133;  
339 (II) a board local discretionary levy imposed under Section 53A-17a-164; and  
340 (III) a capital discretionary levy imposed under Section 53A-16-113;  
341 (B) subtract from the sum calculated under Subsection (1)(b)(ii)(A) the following  
342 expenditures made from revenue generated by a board local discretionary levy:  
343 (I) expenditures for recreational facilities and activities authorized under Title 11,  
344 Chapter 2, Playgrounds;  
345 (II) expenditures for pupil transportation that are less than or equal to the amount of  
346 revenue generated by a .0003 per dollar of taxable value of the school district's board local  
347 discretionary levy; and  
348 (III) expenditures for the K-3 Reading Improvement Program that are less than or equal  
349 to the amount of revenue generated by a .000121 per dollar of taxable value of the school  
350 district's board local discretionary levy; and  
351 (C) divide the remainder calculated under Subsection (1)(b)(ii)(B) by the sum of:  
352 (I) a school district's average daily membership; and  
353 (II) the average daily membership of a school district's resident students who attend  
354 charter schools.  
355 (c) "Resident student" means a student who is considered a resident of the school  
356 district under Title 53A, Chapter 2, Part 2, District of Residency.  
357 (d) "Statewide average debt service revenues" means the amount determined as  
358 follows, using data from the most recently published state superintendent's annual report:  
359 (i) sum the revenues of each school district from the debt service levy imposed under  
360 Section 11-14-310; and  
361 (ii) divide the sum calculated under Subsection (1)(d)(i) by statewide school district  
362 average daily membership.  
363 (2) (a) Charter schools shall receive funding as described in this section, except  
364 Subsections (3) through (8) do not apply to charter schools described in Subsection (2)(b).  
365 (b) Charter schools authorized by local school boards that are converted from district  
366 schools or operate in district facilities without paying reasonable rent shall receive funding as  
367 prescribed in Section 53A-1a-515.  
368 (3) (a) Except as provided in Subsection (3)(b), a charter school shall receive state

369 funds, as applicable, on the same basis as a school district receives funds.

370 (b) In distributing funds under Title 53A, Chapter 17a, Minimum School Program Act,  
371 to charter schools, charter school pupils shall be weighted, where applicable, as follows:

372 (i) .55 for kindergarten pupils;

373 (ii) .9 for pupils in grades 1-6;

374 (iii) .99 for pupils in grades 7-8; and

375 (iv) 1.2 for pupils in grades 9-12.

376 (4) (a) (i) A school district shall allocate a portion of school district revenues for each  
377 resident student of the school district who is enrolled in a charter school on October 1 equal to  
378 25% of the lesser of:

379 (A) district per pupil local revenues; or

380 (B) charter school students' average local revenues.

381 (ii) For the purpose of allocating school district revenues under Subsection (4)(a)(i) in  
382 fiscal year 2008-09 only, a kindergarten student who is enrolled in less than a full-day  
383 kindergarten program is weighted as .55 of a student.

384 (iii) Nothing in this Subsection (4)(a) affects the school bond guarantee program  
385 established under Chapter 28, Utah School Bond Guaranty Act.

386 (b) The State Board of Education shall:

387 (i) deduct an amount equal to the allocation provided under Subsection (4)(a) from  
388 state funds the school district is authorized to receive under Title 53A, Chapter 17a, Minimum  
389 School Program Act; and

390 (ii) remit the money to the student's charter school.

391 (c) Notwithstanding the method used to transfer school district revenues to charter  
392 schools as provided in Subsection (4)(b), a school district may deduct the allocations to charter  
393 schools under this section from:

394 (i) unrestricted revenues available to the school district; or

395 (ii) the revenue sources listed in ~~[Subsections]~~ Subsection (1)(b)(i)(A) [through (F)] or  
396 (1)(b)(ii)(A) based on the portion of the allocations to charter schools attributed to each of the  
397 revenue sources listed in ~~[Subsections]~~ Subsection (1)(b)(i)(A) [through (F)] or (1)(b)(ii)(A).

398 (d) (i) Subject to future budget constraints, the Legislature shall provide an  
399 appropriation for charter schools for each student enrolled on October 1 to supplement the

400 allocation of school district revenues under Subsection (4)(a).

401 (ii) Except as provided in Subsection (4)(d)(iii), the amount of money provided by the  
402 state for a charter school student shall be the sum of:

403 (A) charter school students' average local revenues minus the allocation of school  
404 district revenues under Subsection (4)(a); and

405 (B) statewide average debt service revenues.

406 (iii) If the total of a school district's allocation for a charter school student under  
407 Subsection (4)(a) and the amount provided by the state under Subsection (4)(d)(ii) is less than  
408 \$1427, the state shall provide an additional supplement so that a charter school receives at least  
409 \$1427 per student under this Subsection (4).

410 (e) Of the monies provided to a charter school under this Subsection (4), 10% shall be  
411 expended for funding school facilities only.

412 (5) Charter schools are eligible to receive federal funds if they meet all applicable  
413 federal requirements and comply with relevant federal regulations.

414 (6) The State Board of Education shall distribute funds for charter school students  
415 directly to the charter school.

416 (7) (a) Notwithstanding Subsection (3), a charter school is not eligible to receive state  
417 transportation funding.

418 (b) The board shall also adopt rules relating to the transportation of students to and  
419 from charter schools, taking into account Sections 53A-2-210 and 53A-17a-127.

420 (c) The governing body of the charter school may provide transportation through an  
421 agreement or contract with the local school board, a private provider, or with parents.

422 (8) (a) (i) The state superintendent of public instruction may allocate grants for both  
423 start-up and ongoing costs to eligible charter school applicants from monies appropriated for  
424 the implementation of this part.

425 (ii) Applications for the grants shall be filed on a form determined by the state  
426 superintendent and in conjunction with the application for a charter.

427 (iii) The amount of a grant may vary based upon the size, scope, and special  
428 circumstances of the charter school.

429 (iv) The governing board of the charter school shall use the grant to meet the expenses  
430 of the school as established in the school's charter.

431 (b) The State Board of Education shall coordinate the distribution of federal monies  
432 appropriated to help fund costs for establishing and maintaining charter schools within the  
433 state.

434 (9) (a) A charter school may receive, hold, manage and use any devise, bequest, grant,  
435 endowment, gift, or donation of any property made to the school for any of the purposes of this  
436 part.

437 (b) It is unlawful for any person affiliated with a charter school to demand or request  
438 any gift, donation, or contribution from a parent, teacher, employee, or other person affiliated  
439 with the charter school as a condition for employment or enrollment at the school or continued  
440 attendance at the school.

441 Section 6. Section **53A-2-114** is amended to read:

442 **53A-2-114. Additional levies -- School board options to abolish or continue after**  
443 **consolidation.**

444 (1) If a school district which has approved an additional levy under Section  
445 [~~53A-16-110, 53A-17a-133, 53A-17a-134, or 53A-17a-145~~] 53A-17a-133 is consolidated with  
446 a district which does not have such a levy, the board of education of the consolidated district  
447 may choose to abolish the levy, or apply it in whole or in part to the entire consolidated district.

448 (2) If the board chooses to apply any part of the levy to the entire district, the levy may  
449 continue in force for no more than three years, unless approved by the electors of the  
450 consolidated district in the manner set forth in Section [~~53A-16-110~~] 53A-17a-133.

451 Section 7. Section **53A-2-115** is amended to read:

452 **53A-2-115. Additional levies in transferred territory -- Transferee board option**  
453 **to abolish or continue.**

454 If two or more districts undergo restructuring that results in a district receiving territory  
455 that increases the population of the district by at least 25%, and if the transferred territory was,  
456 at the time of transfer, subject to an additional levy under Section [~~53A-16-110, 53A-17a-133,~~  
457 ~~53A-17a-134, or 53A-17a-145~~] 53A-17a-133, the board of education of the transferee district  
458 may abolish the levy or apply the levy in whole or in part to the entire restructured district.  
459 Any such levy made applicable to the entire district may continue in force for no more than five  
460 years, unless approved by the electors of the restructured district in the manner set forth in  
461 Section [~~53A-16-110~~] 53A-17a-133.

462 Section 8. Section **53A-2-118.2** is amended to read:

463 **53A-2-118.2. New school district property tax -- Limitations.**

464 (1) (a) A new school district created under Section 53A-2-118.1 may not impose a  
465 property tax prior to the fiscal year in which the new school district assumes responsibility for  
466 providing student instruction.

467 (b) The remaining school district retains authority to impose property taxes on the  
468 existing school district, including the territory of the new school district, until the fiscal year in  
469 which the new school district assumes responsibility for providing student instruction.

470 (2) (a) If at the time a new school district created pursuant to Section 53A-2-118.1  
471 assumes responsibility for student instruction any portion of the territory within the new school  
472 district was subject to a levy pursuant to Section [~~53A-16-110 or~~] 53A-17a-133, the new  
473 school district's board may:

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

475 (ii) impose a levy on the new school district as provided in Section [~~53A-16-110 or~~]  
476 53A-17a-133; or

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

478 (b) If the new school district's board applies a levy to the new school district pursuant  
479 to Subsection (2)(a)(iii), the levy may not exceed the maximum duration or rate authorized by  
480 the voters of the existing district or districts at the time of the vote to create the new school  
481 district.

482 Section 9. Section **53A-2-118.3** is amended to read:

483 **53A-2-118.3. Imposition of the capital discretionary levy in qualifying divided**  
484 **school districts.**

485 (1) For purposes of this section:

486 (a) "Qualifying divided school district" means a divided school district:

487 (i) located within a county of the second through sixth class; and

488 (ii) with a new school district created under Section 53A-2-118.1 that begins to provide  
489 educational services after July 1, 2008.

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

492 (2) Beginning with the qualifying taxable year, in order to qualify for receipt of the



493 state contribution toward the minimum school program described in Section 53A-17a-104, a  
494 school district within a qualifying divided school district shall impose a capital [outlay]  
495 discretionary levy described in Section [~~53A-16-107~~] 53A-16-113 of at least .0006 per dollar of  
496 taxable value.

497 (3) The county treasurer of a county with a qualifying divided school district shall  
498 distribute revenues generated by the .0006 portion of the capital [outlay] discretionary levy  
499 required in Subsection (2) to the school districts located within the boundaries of the qualifying  
500 divided school district as follows:

501 (a) 25% of the revenues shall be distributed in proportion to a school district's  
502 percentage of the total enrollment growth in all of the school districts within the qualifying  
503 divided school district that have an increase in enrollment, calculated on the basis of the  
504 average annual enrollment growth over the prior three years in all of the school districts within  
505 the qualifying divided school district that have an increase in enrollment over the prior three  
506 years, as of the October 1 enrollment counts; and

507 (b) 75% of the revenues shall be distributed in proportion to a school district's  
508 percentage of the total current year enrollment in all of the school districts within the qualifying  
509 divided school district, as of the October 1 enrollment counts.

510 (4) If a new school district is created or school district boundaries are adjusted, the  
511 enrollment and average annual enrollment growth for each affected school district shall be  
512 calculated on the basis of enrollment in school district schools located within that school  
513 district's newly created or adjusted boundaries, as of October 1 enrollment counts.

514 (5) On or before December 31 of each year, the State Board of Education shall provide  
515 a county treasurer with audited enrollment information from the fall enrollment audit necessary  
516 to distribute revenues as required by this section.

517 (6) On or before March 31 of each year, a county treasurer in a county with a  
518 qualifying divided school district shall distribute, in accordance with Subsection (3), the  
519 revenue generated within the qualifying divided school district during the prior calendar year  
520 from the capital [outlay] discretionary levy required in Subsection (2).

521 Section 10. Section **53A-2-206** is amended to read:

522 **53A-2-206. Interstate compact students -- Inclusion in attendance count --**  
523 **Funding for foreign exchange students -- Annual report -- Requirements for exchange**

524 **student agencies.**

525 (1) A school district or charter school may include the following students in the  
526 district's or school's membership and attendance count for the purpose of apportionment of  
527 state monies:

528 (a) a student enrolled under an interstate compact, established between the State Board  
529 of Education and the state education authority of another state, under which a student from one  
530 compact state would be permitted to enroll in a public school in the other compact state on the  
531 same basis as a resident student of the receiving state; or

532 (b) a student receiving services under the Compact on Placement of Children.

533 (2) (a) A school district or charter school may include foreign exchange students in the  
534 district's or school's membership and attendance count for the purpose of apportionment of  
535 state monies, except as provided in Subsections (2)(b) through (e).

536 (b) (i) Notwithstanding Section 53A-17a-106, foreign exchange students may not be  
537 included in average daily membership for the purpose of determining the number of weighted  
538 pupil units in the grades 1-12 basic program.

539 (ii) Subject to the limitation in Subsection (2)(c), the number of weighted pupil units in  
540 the grades 1-12 basic program attributed to foreign exchange students shall be equal to the  
541 number of foreign exchange students who were:

542 (A) enrolled in a school district or charter school on October 1 of the previous fiscal  
543 year; and

544 (B) sponsored by an agency approved by the district's local school board or charter  
545 school's governing board.

546 (c) (i) The total number of foreign exchange students in the state that may be counted  
547 for the purpose of apportioning state monies under Subsection (2)(b) shall be the lesser of:

548 (A) the number of foreign exchange students enrolled in public schools in the state on  
549 October 1 of the previous fiscal year; or

550 (B) 328 foreign exchange students.

551 (ii) The State Board of Education shall make rules in accordance with Title 63G,  
552 Chapter 3, Utah Administrative Rulemaking Act, to administer the cap on the number of  
553 foreign exchange students that may be counted for the purpose of apportioning state monies  
554 under Subsection (2)(b).

555 (d) Notwithstanding [~~Sections~~] Section 53A-17a-133 [~~and 53A-17a-134~~] or  
556 53A-17a-164, weighted pupil units in the grades 1-12 basic program for foreign exchange  
557 students, as determined by Subsections (2)(b) and (c), may not be included for the purposes of  
558 determining a school district's state guarantee money under the voted or [~~board leeway~~  
559 ~~programs~~] board local discretionary levies.

560 (e) Notwithstanding Section 53A-17a-125, foreign exchange students may not be  
561 included in enrollment when calculating student growth for the purpose of adjusting the annual  
562 appropriation for retirement and Social Security.

563 (3) A school district or charter school may:

564 (a) enroll foreign exchange students that do not qualify for state monies; and

565 (b) pay for the costs of those students with other funds available to the school district  
566 or charter school.

567 (4) Due to the benefits to all students of having the opportunity to become familiar  
568 with individuals from diverse backgrounds and cultures, school districts are encouraged to  
569 enroll foreign exchange students, as provided in Subsection (3), particularly in schools with  
570 declining or stable enrollments where the incremental cost of enrolling the foreign exchange  
571 student may be minimal.

572 (5) The board shall make an annual report to the Legislature on the number of  
573 exchange students and the number of interstate compact students sent to or received from  
574 public schools outside the state.

575 (6) (a) A local school board or charter school governing board shall require each  
576 approved exchange student agency to provide it with a sworn affidavit of compliance prior to  
577 the beginning of each school year.

578 (b) The affidavit shall include the following assurances:

579 (i) that the agency has complied with all applicable policies of the board;

580 (ii) that a household study, including a background check of all adult residents, has  
581 been made of each household where an exchange student is to reside, and that the study was of  
582 sufficient scope to provide reasonable assurance that the exchange student will receive proper  
583 care and supervision in a safe environment;

584 (iii) that host parents have received training appropriate to their positions, including  
585 information about enhanced criminal penalties under Subsection 76-5-406(10) for persons who

586 are in a position of special trust;

587 (iv) that a representative of the exchange student agency shall visit each student's place  
588 of residence at least once each month during the student's stay in Utah;

589 (v) that the agency will cooperate with school and other public authorities to ensure  
590 that no exchange student becomes an unreasonable burden upon the public schools or other  
591 public agencies;

592 (vi) that each exchange student will be given in the exchange student's native language  
593 names and telephone numbers of agency representatives and others who could be called at any  
594 time if a serious problem occurs; and

595 (vii) that alternate placements are readily available so that no student is required to  
596 remain in a household if conditions appear to exist which unreasonably endanger the student's  
597 welfare.

598 (7) (a) A local school board or charter school governing board shall provide each  
599 approved exchange student agency with a list of names and telephone numbers of individuals  
600 not associated with the agency who could be called by an exchange student in the event of a  
601 serious problem.

602 (b) The agency shall make a copy of the list available to each of its exchange students  
603 in the exchange student's native language.

604 Section 11. Section **53A-2-214** is amended to read:

605 **53A-2-214. Online students' participation in extracurricular activities.**

606 (1) As used in this section:

607 (a) "Online education" means the use of information and communication technologies  
608 to deliver educational opportunities to a student in a location other than a school.

609 (b) "Online student" means a student who:

610 (i) participates in an online education program sponsored or supported by the State  
611 Board of Education, a school district, or charter school; and

612 (ii) generates funding for the school district or school pursuant to Subsection  
613 53A-17a-103~~(5)~~(4) and rules of the State Board of Education.

614 (2) An online student is eligible to participate in extracurricular activities at:

615 (a) the school within whose attendance boundaries the student's custodial parent or  
616 legal guardian resides; or

617 (b) the public school from which the student withdrew for the purpose of participating  
618 in an online education program.

619 (3) A school other than a school described in Subsection (2)(a) or (b) may allow an  
620 online student to participate in extracurricular activities other than:

621 (a) interschool competitions of athletic teams sponsored and supported by a public  
622 school; or

623 (b) interschool contests or competitions for music, drama, or forensic groups or teams  
624 sponsored and supported by a public school.

625 (4) An online student is eligible for extracurricular activities at a public school  
626 consistent with eligibility standards as applied to full-time students of the public school.

627 (5) A school district or public school may not impose additional requirements on an  
628 online school student to participate in extracurricular activities that are not imposed on  
629 full-time students of the public school.

630 (6) (a) The State Board of Education shall make rules establishing fees for an online  
631 school student's participation in extracurricular activities at school district schools.

632 (b) The rules shall provide that:

633 (i) online school students pay the same fees as other students to participate in  
634 extracurricular activities;

635 (ii) online school students are eligible for fee waivers pursuant to Section 53A-12-103;

636 (iii) for each online school student who participates in an extracurricular activity at a  
637 school district school, the online school shall pay a share of the school district's costs for the  
638 extracurricular activity; and

639 (iv) an online school's share of the costs of an extracurricular activity shall reflect state  
640 and local tax revenues expended, except capital facilities expenditures, for an extracurricular  
641 activity in a school district or school divided by total student enrollment of the school district  
642 or school.

643 (c) In determining an online school's share of the costs of an extracurricular activity  
644 under Subsections (6)(b)(iii) and (iv), the State Board of Education may establish uniform fees  
645 statewide based on average costs statewide or average costs within a sample of school districts.

646 (7) When selection to participate in an extracurricular activity at a public school is  
647 made on a competitive basis, an online student is eligible to try out for and participate in the

648 activity as provided in this section.

649 Section 12. Section **53A-3-415** is amended to read:

650 **53A-3-415. School board policy on detaining students after school.**

651 (1) Each local school board shall establish a policy on detaining students after regular  
652 school hours as a part of the districtwide discipline plan required under Section [~~53A-17a-135~~]  
653 53A-11-901.

654 (2) The policy shall apply to elementary school students, grades kindergarten through  
655 six. The board shall receive input from teachers, school administrators, and parents and  
656 guardians of the affected students before adopting the policy.

657 (3) The policy shall provide for notice to the parent or guardian of a student prior to  
658 holding the student after school on a particular day. The policy shall also provide for  
659 exceptions to the notice provision if detention is necessary for the student's health or safety.

660 Section 13. Section **53A-16-107** is amended to read:

661 **53A-16-107. Capital outlay levy -- Maintenance of school facilities -- Authority to**  
662 **use proceeds of .0002 tax rate -- Restrictions and procedure.**

663 (1) [~~Subject to~~] Except as provided in Subsection (3), a local school board may  
664 annually impose a capital outlay levy not to exceed .0024 per dollar of taxable value to be used  
665 for:

- 666 (a) capital outlay;
- 667 (b) debt service; and
- 668 (c) subject to Subsection (2), school facility maintenance.

669 (2) (a) A local school board may utilize the proceeds of a maximum of .0002 per dollar  
670 of taxable value of the local school board's annual capital outlay levy for the maintenance of  
671 school facilities in the school district.

672 (b) A local school board that uses the option provided under Subsection (2)(a) shall:

673 (i) maintain the same level of expenditure for maintenance in the current year as it did  
674 in the preceding year, plus the annual average percentage increase applied to the maintenance  
675 and operation budget for the current year; and

676 (ii) identify the expenditure of capital outlay funds for maintenance by a district project  
677 number to ensure that the funds are expended in the manner intended.

678 (c) The State Board of Education shall establish by rule the expenditure classification

679 for maintenance under this program using a standard classification system.

680 ~~[(3) Beginning January 1, 2009, in order to qualify for receipt of the state contribution~~  
681 ~~toward the minimum school program described in Section 53A-17a-104, a local school board~~  
682 ~~in a county of the first class shall impose a capital outlay levy of at least .0006 per dollar of~~  
683 ~~taxable value.]~~

684 ~~[(4) (a) The county treasurer of a county of the first class shall distribute revenues~~  
685 ~~generated by the .0006 portion of the capital outlay levy required in Subsection (3) to school~~  
686 ~~districts within the county in accordance with Section 53A-16-107.1.]~~

687 ~~[(b) If a school district in a county of the first class imposes a capital outlay levy~~  
688 ~~pursuant to this section which exceeds .0006 per dollar of taxable value, the county treasurer of~~  
689 ~~a county of the first class shall distribute revenues generated by the portion of the capital outlay~~  
690 ~~levy which exceeds .0006 to the school district imposing the levy.]~~

691 (3) Beginning January 1, 2011, a local school board may not levy a tax in accordance  
692 with this section.

693 Section 14. Section **53A-16-110** is amended to read:

694 **53A-16-110. Special tax to buy school building sites, build and furnish**  
695 **schoolhouses, or improve school property.**

696 (1) (a) ~~[A]~~ Except as provided in Subsection (6), a local school board may, by  
697 following the process for special elections established in Sections 20A-1-203 and 20A-1-204,  
698 call a special election to determine whether a special property tax should be levied for one or  
699 more years to buy building sites, build and furnish schoolhouses, or improve the school  
700 property under its control.

701 (b) The tax may not exceed .2% of the taxable value of all taxable property in the  
702 district in any one year.

703 (2) The board shall give reasonable notice of the election and follow the same  
704 procedure used in elections for the issuance of bonds.

705 (3) If a majority of those voting on the proposition vote in favor of the tax, it is levied  
706 in addition to a levy authorized under Section 53A-17a-145 and computed on the valuation of  
707 the county assessment roll for that year.

708 (4) (a) Within 20 days after the election, the board shall certify the amount of the  
709 approved tax to the governing body of the county in which the school district is located.

710 (b) The governing body shall acknowledge receipt of the certification and levy and  
711 collect the special tax.

712 (c) It shall then distribute the collected taxes to the business administrator of the school  
713 district at the end of each calendar month.

714 (5) The special tax becomes due and delinquent and attaches to and becomes a lien on  
715 real and personal property at the same time as state and county taxes.

716 (6) Beginning January 1, 2011, a local school board may not levy a tax in accordance  
717 with this section.

718 Section 15. Section **53A-16-113** is enacted to read:

719 **53A-16-113. Capital discretionary levy -- First class county required levy.**

720 (1) (a) Subject to the other requirements of this section, for taxable years beginning on  
721 or after January 1, 2011, a local school board may levy a tax to fund the school district's capital  
722 projects.

723 (b) A tax rate imposed by a school district pursuant to this section may not exceed  
724 .0030 per dollar of taxable value in any fiscal year.

725 (2) For fiscal year 2011-12, a school district is exempt from the public notice and  
726 hearing requirements of Section 59-2-919 for the school district's capital discretionary levy  
727 imposed under Subsection (1) if the school district budgets an amount of ad valorem property  
728 tax revenue equal to or less than the sum of the following:

729 (a) the amount of revenue generated during the taxable year beginning on January 1,  
730 2010, from the sum of the following levies of a school district:

731 (i) a capital outlay levy imposed under Section 53A-16-107; and

732 (ii) the portion of the 10% of basic levy described in Section 53A-17a-145 that is  
733 budgeted for debt service or capital outlay; and

734 (b) revenue from new growth as defined in Subsection 59-2-924(4)(c).

735 (3) Beginning January 1, 2011, in order to qualify for receipt of the state contribution  
736 toward the minimum school program described in Section 53A-17a-104, a local school board  
737 in a county of the first class shall impose a capital discretionary levy of at least .0006 per dollar  
738 of taxable value.

739 (4) (a) The county treasurer of a county of the first class shall distribute revenues  
740 generated by the .0006 portion of the capital discretionary levy required in Subsection (3) to



741 school districts within the county in accordance with Section 53A-16-114.

742 (b) If a school district in a county of the first class imposes a capital discretionary levy  
743 pursuant to this section which exceeds .0006 per dollar of taxable value, the county treasurer of  
744 a county of the first class shall distribute revenues generated by the portion of the capital  
745 discretionary levy which exceeds .0006 to the school district imposing the levy.

746 Section 16. Section **53A-16-114**, which is renumbered from Section 53A-16-107.1 is  
747 renumbered and amended to read:

748 **[53A-16-107.1]. 53A-16-114. School capital outlay in counties of the first**  
749 **class -- Allocation.**

750 (1) The county treasurer of a county of the first class shall distribute revenues  
751 generated by the .0006 portion of the capital ~~[outlay]~~ discretionary levy required in ~~[Subsection~~  
752 ~~53A-16-107(3)]~~ Section 53A-16-113 to school districts located within the county of the first  
753 class as follows:

754 (a) 25% of the revenues shall be distributed in proportion to a school district's  
755 percentage of the total enrollment growth in all of the school districts within the county that  
756 have an increase in enrollment, calculated on the basis of the average annual enrollment growth  
757 over the prior three years in all of the school districts within the county that have an increase in  
758 enrollment over the prior three years, as of the October 1 enrollment counts; and

759 (b) 75% of the revenues shall be distributed in proportion to a school district's  
760 percentage of the total current year enrollment in all of the school districts within the county, as  
761 of the October 1 enrollment counts.

762 (2) If a new school district is created or school district boundaries are adjusted, the  
763 enrollment and average annual enrollment growth for each affected school district shall be  
764 calculated on the basis of enrollment in school district schools located within that school  
765 district's newly created or adjusted boundaries, as of October 1 enrollment counts.

766 (3) On or before December 31 of each year, the State Board of Education shall provide  
767 a county treasurer with audited enrollment information from the fall enrollment audit necessary  
768 to distribute revenues as required by this section.

769 (4) On or before March 31 of each year, a county treasurer in a county of the first class  
770 shall distribute the revenue generated within the county of the first class during the prior  
771 calendar year from the capital ~~[outlay]~~ discretionary levy described in Section ~~[53A-16-107]~~

772 53A-16-113.

773 Section 17. Section **53A-17a-103** is amended to read:

774 **53A-17a-103. Definitions.**

775 As used in this chapter:

776 (1) "Basic state-supported school program" or "basic program" means public education  
777 programs for kindergarten, elementary, and secondary school students that are operated and  
778 maintained for the amount derived by multiplying the number of weighted pupil units for each  
779 district by \$2,577, except as otherwise provided in this chapter.

780 (2) (a) "Certified revenue levy" means a property tax levy that provides an amount of  
781 ad valorem property tax revenue equal to the sum of:

782 (i) the amount of ad valorem property tax revenue to be generated statewide in the  
783 previous year from imposing a minimum basic tax rate, as specified in Subsection

784 53A-17a-135(1)[~~(a)~~]; and

785 (ii) the product of:

786 (A) new growth, as defined in:

787 (I) Section 59-2-924; and

788 (II) rules of the State Tax Commission; and

789 (B) the minimum basic tax rate certified by the State Tax Commission for the previous  
790 year.

791 (b) For purposes of this Subsection (2), "ad valorem property tax revenue" does not  
792 include property tax revenue received statewide from personal property that is:

793 (i) assessed by a county assessor in accordance with Title 59, Chapter 2, Part 3, County  
794 Assessment; and

795 (ii) semiconductor manufacturing equipment.

796 (c) For purposes of calculating the certified revenue levy described in this Subsection  
797 (2), the State Tax Commission shall use:

798 (i) the taxable value of real property assessed by a county assessor contained on the  
799 assessment roll;

800 (ii) the taxable value of real and personal property assessed by the State Tax  
801 Commission; and

802 (iii) the taxable year end value of personal property assessed by a county assessor

803 contained on the prior year's assessment roll.

804 ~~[(3) "Leeway program" or "leeway" means a state-supported voted leeway program or~~  
805 ~~board leeway program authorized under Section 53A-17a-133 or 53A-17a-134.]~~

806 ~~[(4)] (3)~~ "Pupil in average daily membership (ADM)" means a full-day equivalent  
807 pupil.

808 ~~[(5)] (4)~~ (a) "State-supported minimum school program" or "minimum school  
809 program" means public school programs for kindergarten, elementary, and secondary schools  
810 as described in this Subsection ~~[(5)] (4)~~.

811 (b) The minimum school program established in the districts shall include the  
812 equivalent of a school term of nine months as determined by the State Board of Education.

813 (c) (i) The board shall establish the number of days or equivalent instructional hours  
814 that school is held for an academic school year.

815 (ii) Education, enhanced by utilization of technologically enriched delivery systems,  
816 when approved by local school boards, shall receive full support by the State Board of  
817 Education as it pertains to fulfilling the attendance requirements, excluding time spent viewing  
818 commercial advertising.

819 (d) The program includes the total of the following annual costs:

820 (i) the cost of a basic state-supported school program; and

821 (ii) other amounts appropriated in this chapter in addition to the basic program.

822 ~~[(6)] (5)~~ "Weighted pupil unit or units or WPU or WPU's" means the unit of measure of  
823 factors that is computed in accordance with this chapter for the purpose of determining the  
824 costs of a program on a uniform basis for each district.

825 Section 18. Section **53A-17a-104** is amended to read:

826 **53A-17a-104. Amount of state's contribution toward minimum school program.**

827 (1) The total contribution of the state toward the cost of the minimum school program  
828 may not exceed the sum of \$2,137,352,586 for the fiscal year beginning July 1, 2009, except as  
829 otherwise provided by the Legislature through supplemental appropriations.

830 (2) There is appropriated from state and local funds for fiscal year 2009-10 for  
831 distribution to school districts and charter schools, in accordance with this chapter, monies for  
832 the following purposes and in the following amounts:

833 (a) basic program - kindergarten, \$68,424,504 (26,552 WPU's);

- 834 (b) basic program - grades 1-12, \$1,291,316,661 (501,093 WPU);
- 835 (c) basic program - professional staff, \$118,627,041 (46,033 WPU);
- 836 (d) basic program - administrative costs, \$4,174,740 (1,620 WPU);
- 837 (e) basic program - necessarily existent small schools and units for consolidated
- 838 schools, \$19,711,473 (7,649 WPU);
- 839 (f) special education - regular program - add-on WPU for students with disabilities,
- 840 \$160,029,123 (62,099 WPU);
- 841 (g) preschool special education program, \$22,623,483 (8,779 WPU);
- 842 (h) self-contained regular WPU, \$35,632,179 (13,827 WPU);
- 843 (i) extended year program for severely disabled, \$992,145 (385 WPU);
- 844 (j) special education programs in state institutions and district impact aid, \$4,398,939
- 845 (1,707 WPU);
- 846 (k) career and technical education district programs, \$68,656,434 (26,642 WPU),
- 847 including \$1,174,084 for summer career and technical education agriculture programs;
- 848 (l) class size reduction, \$90,537,741 (35,133 WPU);
- 849 (m) Social Security and retirement programs, \$13,407,831;
- 850 (n) pupil transportation to and from school, \$65,646,865, of which not less than
- 851 \$2,584,435 shall be allocated to the Utah Schools for the Deaf and Blind to pay for
- 852 transportation costs of the schools' students;
- 853 (o) guarantee transportation levy, \$500,000;
- 854 (p) Interventions for Student Success Block Grant Program, \$15,000,000;
- 855 (q) highly impacted schools, \$4,610,907;
- 856 (r) at-risk programs, \$28,270,141;
- 857 (s) adult education, \$9,266,146;
- 858 (t) accelerated learning programs, \$3,566,081;
- 859 (u) concurrent enrollment, \$8,705,286;
- 860 (v) High-ability Student Initiative Program, \$495,000;
- 861 (w) English Language Learner Family Literacy Centers, \$1,800,000;
- 862 (x) electronic high school, \$2,000,000;
- 863 (y) School LAND Trust Program, \$20,000,000;
- 864 (z) state supplement to local property taxes for charter schools, pursuant to Section

865 53A-1a-513, \$45,288,446;  
 866 (aa) charter school administrative costs, \$3,677,000;  
 867 (bb) K-3 Reading Improvement Program, \$15,000,000;  
 868 (cc) Public Education Job Enhancement Program, \$2,187,000;  
 869 (dd) educator salary adjustments, \$148,260,200;  
 870 (ee) Teacher Salary Supplement Restricted Account, \$3,700,000;  
 871 (ff) library books and electronic resources, \$500,000;  
 872 (gg) school nurses, \$900,000;  
 873 (hh) critical languages, \$230,000;  
 874 (ii) extended year for special educators, \$2,610,000;  
 875 (jj) USTAR Centers, \$6,210,000;  
 876 (kk) state-supported [~~voted leeway~~] voted local discretionary levy guarantee,  
 877 \$278,396,150;  
 878 (ll) state-supported board [~~leeway~~] local discretionary levy guarantee, \$73,324,640; and  
 879 (mm) state-supported board leeway for K-3 Reading Improvement Program,  
 880 \$15,000,000.

881 Section 19. Section **53A-17a-105** is amended to read:

882 **53A-17a-105. Action required for underestimated or overestimated weighted**  
 883 **pupil units -- Action required for underestimating or overestimating local contributions.**

884 (1) If the number of weighted pupil units in a program is underestimated in Section  
 885 53A-17a-104, the amount per pupil in that program paid under this chapter must be reduced so  
 886 that the amount paid does not exceed the estimated amount by program.

887 (2) If the number of weighted pupil units in a program is overestimated in Section  
 888 53A-17a-104, the state superintendent of public instruction shall either increase the amount  
 889 paid in that program per weighted pupil unit or transfer the unused amount in that program to  
 890 another program included in the minimum school program.

891 (3) (a) If surplus funds are transferred to another program, the state superintendent, if  
 892 the state superintendent determines certain districts have greater need for additional funds, may  
 893 designate the districts as well as the programs to which the transferred funds will be allocated.

894 (b) Any amounts transferred under Subsection (3)(a) may be spent in addition to the  
 895 amounts listed in Section 53A-17a-104.

896 (4) The limitation on the proceeds from local tax rates for ~~[operation and maintenance]~~  
897 programs under this chapter is subject to modification by local school boards under Sections  
898 53A-17a-133 and ~~[53A-17a-134]~~ 53A-17a-164 and to special tax rates authorized by this  
899 chapter, and shall be adjusted accordingly.

900 (5) If local contributions are overestimated, the guarantee per weighted pupil unit is  
901 reduced for all programs so the total state contribution ~~[for operation and maintenance~~  
902 ~~programs]~~ does not exceed the amount authorized in Subsection 53A-17a-104(1).

903 (6) (a) If local contributions from the basic tax rate ~~[for operation and maintenance~~  
904 ~~programs]~~ are underestimated, the excess is applied first to support the value of the weighted  
905 pupil unit as set by the Legislature for total weighted pupil units generated by the districts and  
906 those costs of Social Security and retirement, transportation, and the state guarantees for the  
907 board and voted ~~leeway~~ local discretionary levies that occur as a result of the additional  
908 generated weighted pupil units, following internal adjustments by the state superintendent as  
909 provided in this section.

910 (b) The state contribution is decreased so the total school program cost ~~[for operation~~  
911 ~~and maintenance programs]~~ does not exceed the total estimated contributions to school districts  
912 for all programs under Subsection 53A-17a-104(2) plus the amount of local revenue necessary  
913 to support the value of the weighted pupil unit for weighted pupil units generated and those  
914 costs of Social Security and retirement, transportation, and ~~[board and voted leeway]~~ state  
915 guarantees for the board and voted local discretionary levies that occur as a result of the  
916 additional generated weighted pupil units.

917 (7) As an exception to Section 63J-1-601, the state fiscal officer may not close out  
918 appropriations from the Uniform School Fund at the end of a fiscal year.

919 Section 20. Section **53A-17a-127** is amended to read:

920 **53A-17a-127. Eligibility for state-supported transportation -- Approved bus**  
921 **routes.**

922 (1) A student eligible for state-supported transportation means:

923 (a) a student enrolled in kindergarten through grade six who lives at least 1-1/2 miles  
924 from school;

925 (b) a student enrolled in grades seven through 12 who lives at least two miles from  
926 school; and

927 (c) a student enrolled in a special program offered by a school district and approved by  
928 the State Board of Education for trainable, motor, multiple-disabled, or other students with  
929 severe disabilities who are incapable of walking to school or where it is unsafe for students to  
930 walk because of their disabling condition, without reference to distance from school.

931 (2) If a school district implements double sessions as an alternative to new building  
932 construction, with the approval of the State Board of Education, those affected elementary  
933 school students residing less than 1-1/2 miles from school may be transported one way to or  
934 from school because of safety factors relating to darkness or other hazardous conditions as  
935 determined by the local school board.

936 (3) (a) The State Board of Education shall distribute transportation monies to school  
937 districts based on:

- 938 (i) an allowance per mile for approved bus routes;  
939 (ii) an allowance per hour for approved bus routes; and  
940 (iii) a minimum allocation for each school district eligible for transportation funding.

941 (b) The State Board of Education shall distribute appropriated transportation funds  
942 based on the prior year's eligible transportation costs as legally reported under Subsection  
943 53A-17a-126(3).

944 (c) The State Board of Education shall annually review the allowance per mile and the  
945 allowance per hour and adjust the allowances to reflect current economic conditions.

946 (4) (a) Approved bus routes for funding purposes shall be determined on fall data  
947 collected by October 1.

948 (b) Approved route funding shall be determined on the basis of the most efficient and  
949 economic routes.

950 (5) A Transportation Advisory Committee with representation from local school  
951 superintendents, business officials, school district transportation supervisors, and the state  
952 superintendent's staff shall serve as a review committee for addressing school transportation  
953 needs, including recommended approved bus routes.

954 (6) (a) A local school board may provide for the transportation of students who are not  
955 eligible under Subsection (1), regardless of the distance from school, from~~[-(i)]~~ general funds  
956 of the district~~[-and]~~.

957 ~~[(ii) a tax rate not to exceed .0003 per dollar of taxable value imposed on the district.]~~

958 ~~[(b) A local school board may use revenue from the tax to pay for transporting~~  
959 ~~participating students to interscholastic activities, night activities, and educational field trips~~  
960 ~~approved by the board and for the replacement of school buses.]~~

961 ~~[(c) (i) If a local school board levies a tax under Subsection (6)(a)(ii) of at least .0002,~~  
962 ~~the]~~

963 (b) (i) If a local school board expends an amount of revenue equal to at least .0002 per  
964 dollar of taxable value of the school district's board local discretionary levy for the uses  
965 described in Subsection (6)(c), the state may contribute an amount not to exceed 85% of the  
966 state average cost per mile, contingent upon the Legislature appropriating funds for a state  
967 contribution.

968 (ii) The state superintendent's staff shall distribute the state contribution according to  
969 rules enacted by the State Board of Education.

970 (c) In order to receive the guarantee described in Subsection (6)(b), a local school  
971 board shall expend the revenue described in Subsection (6)(b)(i) to pay for transporting  
972 participating students to interscholastic activities, night activities, and educational field trips  
973 approved by the local school board and for the replacement of school buses.

974 (d) (i) The amount of state guarantee money which a school district would otherwise be  
975 entitled to receive under Subsection (6)~~(c)~~(b)(i) may not be reduced for the sole reason that  
976 the district's levy is reduced as a consequence of changes in the certified tax rate under Section  
977 59-2-924 due to changes in property valuation.

978 (ii) Subsection (6)(d)(i) applies for a period of two years following the change in the  
979 certified tax rate.

980 Section 21. Section **53A-17a-133** is amended to read:

981 **53A-17a-133. Voted local discretionary levy -- Election requirements -- State**  
982 **guarantee -- Reconsideration of levy authorization.**

983 (1) An election to consider adoption or modification of a voted ~~leeway program~~ local  
984 discretionary levy is required if initiative petitions signed by 10% of the number of electors  
985 who voted at the last preceding general election are presented to the local school board or by  
986 action of the board.

987 (2) (a) (i) To ~~establish a voted leeway program~~ impose a voted local discretionary  
988 levy, a majority of the electors of a district voting at an election in the manner set forth in



989 ~~[Section 53A-16-110]~~ Subsections (8) and (9) must vote in favor of a special tax.

990 (ii) The tax rate may not exceed .002 per dollar of taxable value.

991 ~~[(b) The district may maintain a school program which exceeds the cost of the program~~  
992 ~~referred to in Section 53A-17a-145 with this voted leeway.]~~

993 ~~[(c) In]~~ (b) Except as provided in Subsection (2)(c), in order to receive state support  
994 the first year, a district must receive voter approval no later than December 1 of the year prior  
995 to implementation.

996 (c) Notwithstanding the requirements of Subsection (2)(b), beginning on or after  
997 January 1, 2011, a school district may receive state support in accordance with Subsection (3)  
998 without complying with the requirements of Subsection (2)(b) if the local school board  
999 imposed a tax in accordance with this section during the taxable year beginning on January 1,  
1000 2010 and ending on December 31, 2010.

1001 (3) (a) ~~[Under the voted leeway program]~~ In addition to the revenue a school district  
1002 collects from the imposition of a levy pursuant to this section, the state shall contribute an  
1003 amount sufficient to guarantee \$25.25 per weighted pupil unit for each .0001 of the first .0016  
1004 per dollar of taxable value.

1005 (b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar  
1006 of taxable value under Subsection (3)(a) shall apply to ~~[the board-approved leeway]~~ a portion  
1007 of the board local discretionary levy authorized in Section ~~[53A-17a-134]~~ 53A-17a-164, so that  
1008 the guarantee shall apply up to a total of .002 per dollar of taxable value if a school district  
1009 levies a tax rate under both programs.

1010 (c) (i) Beginning July 1, 2009, the \$25.25 guarantee under Subsections (3)(a) and (b)  
1011 shall be indexed each year to the value of the weighted pupil unit by making the value of the  
1012 guarantee equal to .009798 times the value of the prior year's weighted pupil unit.

1013 (ii) ~~[The]~~ Except as provided in Subsection (3)(c)(iii), the guarantee shall increase by  
1014 .0005 times the value of the prior year's weighted pupil unit for each succeeding year ~~[until the~~  
1015 ~~guarantee is equal to].~~

1016 (iii) The guarantee described in Subsection (3)(c)(i) may not exceed .010544 times the  
1017 value of the prior year's weighted pupil unit.

1018 (d) (i) The amount of state guarantee money to which a school district would otherwise  
1019 be entitled to under this Subsection (3) may not be reduced for the sole reason that the district's

1020 levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924  
1021 pursuant to changes in property valuation.

1022 (ii) Subsection (3)(d)(i) applies for a period of five years following any such change in  
1023 the certified tax rate.

1024 (4) (a) An election to modify ~~[an]~~ existing ~~[voted leeway program]~~ authority to impose  
1025 a voted local discretionary levy is not a reconsideration of the existing ~~[program]~~ authority  
1026 unless the proposition submitted to the electors expressly so states.

1027 (b) A majority vote opposing a modification does not deprive the district of authority to  
1028 continue ~~[an]~~ the existing [program] levy.

1029 (c) If adoption of a ~~[leeway program]~~ voted local discretionary levy is contingent upon  
1030 an offset reducing other local school board levies, the board must allow the electors, in an  
1031 election, to consider modifying or discontinuing the ~~[program]~~ imposition of the levy prior to a  
1032 subsequent increase in other levies that would increase the total local school board levy.

1033 (d) Nothing contained in this section terminates, without an election, the authority of a  
1034 school district to continue ~~[an existing voted leeway program]~~ imposing an existing voted local  
1035 discretionary levy previously authorized by the voters as a voted leeway program.

1036 (5) Notwithstanding Section 59-2-919, a school district may budget an increased  
1037 amount of ad valorem property tax revenue derived from a voted ~~[leeway]~~ local discretionary  
1038 levy imposed under this section in addition to revenue from new growth as defined in  
1039 Subsection 59-2-924(4), without having to comply with the notice requirements of Section  
1040 59-2-919, if:

1041 (a) the voted ~~[leeway]~~ local discretionary levy is approved:

1042 (i) in accordance with ~~[Section 53A-16-110]~~ Subsections (8) and (9) on or after  
1043 January 1, 2003; and

1044 (ii) within the four-year period immediately preceding the year in which the school  
1045 district seeks to budget an increased amount of ad valorem property tax revenue derived from  
1046 the voted ~~[leeway]~~ local discretionary levy; and

1047 (b) for a voted ~~[leeway]~~ local discretionary levy approved or modified in accordance  
1048 with this section on or after January 1, 2009, the school district complies with the requirements  
1049 of Subsection (7).

1050 (6) Notwithstanding Section 59-2-919, a school district may levy a tax rate under this

1051 section that exceeds the certified tax rate without having to comply with the notice  
1052 requirements of Section 59-2-919 if:

1053 (a) the levy exceeds the certified tax rate as the result of a school district budgeting an  
1054 increased amount of ad valorem property tax revenue derived from a voted [~~leeway~~] local  
1055 discretionary levy imposed under this section;

1056 (b) if the voted [~~leeway~~] local discretionary levy was approved:

1057 (i) in accordance with [~~Section 53A-16-110~~] Subsections (8) and (9) on or after  
1058 January 1, 2003; and

1059 (ii) within the four-year period immediately preceding the year in which the school  
1060 district seeks to budget an increased amount of ad valorem property tax revenue derived from  
1061 the voted [~~leeway~~] local discretionary levy; and

1062 (c) for a voted [~~leeway~~] local discretionary levy approved or modified in accordance  
1063 with this section on or after January 1, 2009, the school district complies with requirements of  
1064 Subsection (7).

1065 (7) For purposes of Subsection (5)(b) or (6)(c), the proposition submitted to the  
1066 electors regarding the adoption or modification of a voted leeway program shall contain the  
1067 following statement:

1068 "A vote in favor of this tax means that (name of the school district) may increase  
1069 revenue from this property tax without advertising the increase for the next five years."

1070 (8) (a) Before imposing a property tax levy pursuant to this section, a local school  
1071 board shall submit an opinion question to the school district's registered voters voting on the  
1072 imposition of the tax rate so that each registered voter has the opportunity to express the  
1073 registered voter's opinion on whether the tax rate should be imposed.

1074 (b) The election required by this Subsection (8) shall be held:

1075 (i) at a regular general election conducted in accordance with the procedures and  
1076 requirements of Title 20A, Election Code, governing regular elections;

1077 (ii) at a municipal general election conducted in accordance with the procedures and  
1078 requirements of Section 20A-1-202; or

1079 (iii) at a local special election conducted in accordance with the procedures and  
1080 requirements of Section 20A-1-203.

1081 (c) Notwithstanding the requirements of Subsections (8)(a) and (b), beginning on or

1082 after January 1, 2011, a local school board may levy a tax rate in accordance with this section  
1083 without complying with the requirements of Subsections (8)(a) and (b) if the local school board  
1084 imposed a tax in accordance with this section at any time during the taxable year beginning on  
1085 January 1, 2010 and ending on December 31, 2010.

1086 (9) If a school district determines that a majority of the school district's registered  
1087 voters voting on the imposition of the tax rate have voted in favor of the imposition of the tax  
1088 rate in accordance with Subsection (8), the local school board may impose the tax rate.

1089 Section 22. Section **53A-17a-134** is amended to read:

1090 **53A-17a-134. Board-approved leeway -- Purpose -- State support -- Disapproval.**

1091 (1) ~~[Each]~~ Except as provided in Subsection (9), a local school board may levy a tax  
1092 rate of up to .0004 per dollar of taxable value to maintain a school program above the cost of  
1093 the basic school program as follows:

1094 (a) a local school board shall use the monies generated by the tax for class size  
1095 reduction within the school district;

1096 (b) if a local school board determines that the average class size in the school district is  
1097 not excessive, it may use the monies for other school purposes but only if the board has  
1098 declared the use for other school purposes in a public meeting prior to levying the tax rate; and

1099 (c) a district may not use the monies for other school purposes under Subsection (1)(b)  
1100 until it has certified in writing that its class size needs are already being met and has identified  
1101 the other school purposes for which the monies will be used to the State Board of Education  
1102 and the state board has approved their use for other school purposes.

1103 (2) (a) The state shall contribute an amount sufficient to guarantee \$25.25 per weighted  
1104 pupil unit for each .0001 per dollar of taxable value.

1105 (b) The guarantee shall increase in the same manner as provided for the voted leeway  
1106 guarantee in Subsections 53A-17a-133(3)(c)(i) and (ii).

1107 (c) (i) The amount of state guarantee money to which a school district would otherwise  
1108 be entitled to under this Subsection (2) may not be reduced for the sole reason that the district's  
1109 levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924  
1110 pursuant to changes in property valuation.

1111 (ii) Subsection (2)(c)(i) applies for a period of five years following any such change in  
1112 the certified tax rate.

1113 (3) The levy authorized under this section is not in addition to the maximum rate of  
1114 .002 authorized in Section 53A-17a-133, but is a board-authorized component of the total tax  
1115 rate under that section.

1116 (4) As an exception to Section 53A-17a-133, the board-authorized levy does not  
1117 require voter approval, but the board may require voter approval if requested by a majority of  
1118 the board.

1119 (5) An election to consider disapproval of the board-authorized levy is required, if  
1120 within 60 days after the levy is established by the board, referendum petitions signed by the  
1121 number of legal voters required in Section 20A-7-301, who reside within the school district, are  
1122 filed with the school district.

1123 (6) (a) A local school board shall establish its board-approved levy by April 1 to have  
1124 the levy apply to the fiscal year beginning July 1 in that same calendar year except that if an  
1125 election is required under this section, the levy applies to the fiscal year beginning July 1 of the  
1126 next calendar year.

1127 (b) The approval and disapproval votes authorized in Subsections (4) and (5) shall  
1128 occur at a general election in even-numbered years, except that a vote required under this  
1129 section in odd-numbered years shall occur at a special election held on a day in odd-numbered  
1130 years that corresponds to the general election date. The school district shall pay for the cost of  
1131 a special election.

1132 (7) (a) Modification or termination of a voter-approved leeway rate authorized under  
1133 this section is governed by Section 53A-17a-133.

1134 (b) A board-authorized leeway rate may be modified or terminated by a majority vote  
1135 of the board subject to disapproval procedures specified in this section.

1136 (8) A board levy election does not require publication of a voter information pamphlet.

1137 (9) Beginning January 1, 2011, a local school board may not levy a tax in accordance  
1138 with this section.

1139 Section 23. Section **53A-17a-135** is amended to read:

1140 **53A-17a-135. Minimum basic tax rate.**

1141 (1) (a) ~~[In order]~~ Except as provided in Subsection (1)(b), to qualify for receipt of the  
1142 state contribution toward the basic program and as its contribution toward its costs of the basic  
1143 program, each school district shall impose a minimum basic tax rate per dollar of taxable value

1144 that generates [~~\$273,950,764 in revenues~~] statewide an amount of revenue equal to the revenue  
1145 generated by the certified revenue levy for the calendar year beginning on January 1, 2010.

1146 [~~(b) The preliminary estimate for the 2009-10 minimum basic tax rate is .001303.]~~

1147 [~~(c) The State Tax Commission shall certify on or before June 22 the rate that~~

1148 ~~generates \$273,950,764 in revenues statewide.]~~

1149 [~~(d) If the minimum basic tax rate exceeds the certified revenue levy as defined in~~

1150 ~~Section 53A-17a-103, the state is subject to the notice requirements of Section 59-2-926.]~~

1151 (b) For a calendar year beginning on or after January 1, 2011, the minimum basic tax

1152 rate per dollar of taxable value shall be the greater of:

1153 (i) the tax rate described in Subsection (1)(a); or

1154 (ii) the certified revenue levy for that calendar year as defined in Section 53A-17a-103.

1155 (2) (a) The state shall contribute to each district toward the cost of the basic program in

1156 the district that portion which exceeds the proceeds of the levy authorized under Subsection

1157 (1).

1158 (b) In accord with the state strategic plan for public education and to fulfill its

1159 responsibility for the development and implementation of that plan, the Legislature instructs

1160 the State Board of Education, the governor, and the Office of Legislative Fiscal Analyst in each

1161 of the coming five years to develop budgets that will fully fund student enrollment growth.

1162 (3) (a) If the proceeds of the levy authorized under Subsection (1) equal or exceed the

1163 cost of the basic program in a school district, no state contribution shall be made to the basic

1164 program.

1165 (b) The proceeds of the levy authorized under Subsection (1) which exceed the cost of

1166 the basic program shall be paid into the Uniform School Fund as provided by law.

1167 (4) For a fiscal year beginning on or after fiscal year 2011-12, the Legislature shall use

1168 the full increase in the minimum basic tax rate to increase the value of the weighted pupil unit.

1169 Section 24. Section **53A-17a-136** is amended to read:

1170 **53A-17a-136. Cost of operation and maintenance of minimum school program --**

1171 **Division between state and school districts.**

1172 (1) The total cost of operation and maintenance of the minimum school program in the

1173 state is divided between the state and school districts as follows:

1174 (a) Each school district shall impose a minimum basic tax rate on all taxable, tangible

1175 property in the school district and shall contribute the tax proceeds toward the cost of the basic  
1176 program as provided in this chapter.

1177 (b) Each school district may also impose a levy for the purpose of participating in the  
1178 ~~[leeway]~~ levy programs provided in [this chapter] Section 53A-17a-133 or 53A-17a-164.

1179 (c) The state shall contribute the balance of the total costs.

1180 (2) The contributions by the school districts and by the state are computed separately  
1181 for the purpose of determining their respective contributions to the basic program and to the  
1182 ~~[leeway]~~ levy programs provided in [this chapter] Section 53A-17a-133 or 53A-17a-164.

1183 Section 25. Section **53A-17a-143** is amended to read:

1184 **53A-17a-143. Federal Impact Aid Program -- Offset for underestimated**  
1185 **allocations from the Federal Impact Aid Program.**

1186 (1) In addition to the revenues received from the levy imposed by each school district  
1187 and authorized by the Legislature under Section 53A-17a-135, ~~[a local school board may~~  
1188 ~~increase its tax rate to]~~ the Legislature shall provide an amount equal to the difference between  
1189 the district's anticipated receipts under the entitlement for the fiscal year from ~~[Public Law~~  
1190 ~~81-874]~~ the Federal Impact Aid Program and the amount the district actually received from this  
1191 source for the next preceding fiscal year.

1192 ~~[(2) The tax rate for this purpose may not exceed .0008 per dollar of taxable value in~~  
1193 ~~any fiscal year.]~~

1194 ~~[(3) This authorization terminates for each district at the end of the third year it is~~  
1195 ~~used.]~~

1196 ~~[(4)]~~ (2) If at the end of a fiscal year the sum of the receipts of a school district from  
1197 ~~[this special tax rate plus allocation from Public Law 81-874]~~ a distribution from the  
1198 Legislature pursuant to Subsection (1) plus the school district's allocations from the Federal  
1199 Impact Aid Program for that fiscal year exceeds the amount allocated to the district from  
1200 ~~[Public Law 81-874]~~ the Federal Impact Aid Program for the next preceding fiscal year, the  
1201 excess funds are carried into the next succeeding fiscal year and become in that year a part of  
1202 the district's contribution to its basic program for operation and maintenance under the state  
1203 minimum school finance law.

1204 ~~[(5)]~~ (3) During that year the district's required tax rate for the basic program shall be  
1205 reduced so that the yield from the reduced tax rate plus the carryover funds equal the district's

1206 required contribution to its basic program.

1207        ~~[(6)]~~ (4) A district that reduces its basic tax rate under this section shall receive state  
1208 minimum school program funds as though the reduction in the tax rate had not been made.

1209        Section 26. Section **53A-17a-145** is amended to read:

1210        **53A-17a-145. Additional levy by district for debt service, school sites, buildings,**  
1211 **buses, textbooks, and supplies.**

1212        (1) ~~[A]~~ Except as provided in Subsection (5), a school district may elect to increase its  
1213 tax rate by up to 10% of the cost of the basic program.

1214        (2) The proceeds from the increase may only be used for debt service, the construction  
1215 or remodeling of school buildings, or the purchase of school sites, buses, equipment, textbooks,  
1216 and supplies.

1217        (3) This section does not prohibit a district from exercising the authority granted by  
1218 other laws relating to tax rates.

1219        (4) This increase in the tax rate is not included in determining the apportionment of the  
1220 State School Fund, and is in addition to other tax rates authorized by law.

1221        (5) Beginning January 1, 2011, a school district may not:

1222        (a) levy a tax rate in accordance with this section; or

1223        (b) increase its tax rate as described in Subsection (1).

1224        Section 27. Section **53A-17a-146** is amended to read:

1225        **53A-17a-146. Reduction of district allocation based on insufficient revenues.**

1226        (1) (a) As used in this section, "Minimum School Program funds" means the total of  
1227 state and local funds appropriated under Section 53A-17a-104, excluding:

1228        (i) the state-supported ~~[voter levy]~~ voted local discretionary levy guarantee;

1229        (ii) the state-supported board ~~[levy]~~ local discretionary levy guarantee; and

1230        (iii) the appropriation to charter schools to replace local property tax revenues.

1231        (b) The State Board of Education, after consultation with each school district and  
1232 charter school, shall allocate the ongoing locally determined reduction provided in Section  
1233 53A-17a-104 for fiscal year 2008-09 among school districts and charter schools in proportion  
1234 to each school district's or charter school's percentage share of Minimum School Program  
1235 funds.

1236        (2) Each district and charter school shall determine which programs are affected by,



1237 and the amount of, the reductions, except as provided in Subsection (4).

1238 (3) The requirement to spend a specified amount in any particular program is waived if  
1239 reductions are required under this section, except as provided in Subsection (4).

1240 (4) A school district or charter school may not reduce or reallocate spending of funds  
1241 distributed to the school district or charter school for the following programs:

- 1242 (a) educator salary adjustments provided in Section 53A-17a-153;
- 1243 (b) the Teacher Salary Supplement Program provided in Section 53A-17a-156;
- 1244 (c) the extended year for special educators provided in Section 53A-17a-158; and
- 1245 (d) USTAR centers provided in Section 53A-17a-159.

1246 Section 28. Section **53A-17a-150** is amended to read:

1247 **53A-17a-150. K-3 Reading Improvement Program.**

1248 (1) As used in this section:

- 1249 (a) "Program" means the K-3 Reading Improvement Program~~[-and]~~.
- 1250 (b) "Program monies" means:

1251 ~~[(i) school district revenue from the levy authorized under Section 53A-17a-151;]~~

1252 ~~[(ii)]~~ (i) school district revenue allocated to the program from ~~[other]~~ monies available  
1253 to the school district, except monies provided by the state, for the purpose of receiving state  
1254 funds under this section; and

1255 ~~[(iii)]~~ (ii) monies appropriated by the Legislature to the program.

1256 (2) The K-3 Reading Improvement Program consists of program monies and is created  
1257 to achieve the state's goal of having third graders reading at or above grade level.

1258 (3) Subject to future budget constraints, the Legislature may annually appropriate  
1259 money to the K-3 Reading Improvement Program.

1260 (4) (a) Prior to using program monies, a school district or charter school shall submit a  
1261 plan to the State Board of Education for reading proficiency improvement that incorporates the  
1262 following components:

- 1263 (i) assessment;
- 1264 (ii) intervention strategies;
- 1265 (iii) professional development;
- 1266 (iv) reading performance standards; and
- 1267 (v) specific measurable goals that are based upon gain scores.

1268 (b) The State Board of Education shall provide model plans which a school district or  
1269 charter school may use, or the district or school may develop its own plan.

1270 (c) Plans developed by a school district or charter school shall be approved by the State  
1271 Board of Education.

1272 (5) There is created within the K-3 Reading Achievement Program three funding  
1273 programs:

1274 (a) the Base Level Program;

1275 (b) the Guarantee Program; and

1276 (c) the Low Income Students Program.

1277 (6) Monies appropriated to the State Board of Education for the K-3 Reading  
1278 Improvement Program shall be allocated to the three funding programs as follows:

1279 (a) 8% to the Base Level Program;

1280 (b) 46% to the Guarantee Program; and

1281 (c) 46% to the Low Income Students Program.

1282 (7) (a) To participate in the Base Level Program, a school district or charter school  
1283 shall submit a reading proficiency improvement plan to the State Board of Education as  
1284 provided in Subsection (4) and must receive approval of the plan from the board.

1285 (b) (i) Each school district qualifying for Base Level Program funds and the qualifying  
1286 elementary charter schools combined shall receive a base amount.

1287 (ii) The base amount for the qualifying elementary charter schools combined shall be  
1288 allocated among each school in an amount proportionate to:

1289 (A) each existing charter school's prior year fall enrollment in grades kindergarten  
1290 through grade 3; and

1291 (B) each new charter school's estimated fall enrollment in grades kindergarten through  
1292 grade 3.

1293 (8) (a) A school district that applies for program monies in excess of the Base Level  
1294 Program funds shall choose to first participate in either the Guarantee Program or the Low  
1295 Income Students Program.

1296 (b) A school district must fully participate in either the Guarantee Program or the Low  
1297 Income Students Program before it may elect to either fully or partially participate in the other  
1298 program.

1299 (c) To fully participate in the Guarantee Program, a school district shall ~~[(i) levy a tax~~  
1300 ~~rate of .000056 under Section 53A-17a-151; (ii)]~~ allocate to the program [other] monies  
1301 available to the school district, except monies provided by the state, equal to the amount of  
1302 revenue that would be generated by a tax rate of .000056 ~~[; or].~~

1303 ~~[(iii) levy a tax under Section 53A-17a-151 and allocate to the program other monies~~  
1304 ~~available to the school district, except monies provided by the state, so that the total revenue~~  
1305 ~~from the combined revenue sources equals the amount of revenue that would be generated by a~~  
1306 ~~tax rate of .000056.]~~

1307 (d) To fully participate in the Low Income Students Program, a school district shall ~~[(i)~~  
1308 ~~levy a tax rate of .000065 under Section 53A-17a-151; (ii)]~~ allocate to the program [other]  
1309 monies available to the school district, except monies provided by the state, equal to the  
1310 amount of revenue that would be generated by a tax rate of .000065 ~~[; or].~~

1311 ~~[(iii) levy a tax under Section 53A-17a-151 and allocate to the program other monies~~  
1312 ~~available to the school district, except monies provided by the state, so that the total revenue~~  
1313 ~~from the combined revenue sources equals the amount of revenue that would be generated by a~~  
1314 ~~tax rate of .000065.]~~

1315 (e) (i) The State Board of Education shall verify that a school district allocates the  
1316 monies required in accordance with Subsections (8)(c) and (d) before it distributes funds in  
1317 accordance with this section.

1318 (ii) The State Tax Commission shall provide the State Board of Education the  
1319 information the State Board of Education needs to comply with Subsection (8)(e)(i).

1320 (9) (a) A school district that fully participates in the Guarantee Program shall receive  
1321 state funds in an amount that is:

1322 (i) equal to the difference between \$21 times the district's total WPUs and the revenue  
1323 the school district is required to generate or allocate under Subsection (8)(c) to fully participate  
1324 in the Guarantee Program; and

1325 (ii) not less than \$0.

1326 (b) An elementary charter school shall receive under the Guarantee Program an amount  
1327 equal to \$21 times the school's total WPUs.

1328 (10) The State Board of Education shall distribute Low Income Students Program  
1329 funds in an amount proportionate to the number of students in each school district or charter

1330 school who qualify for free or reduced price school lunch multiplied by two.

1331 (11) A school district that partially participates in the Guarantee Program or Low  
1332 Income Students Program shall receive program funds based on the amount of district revenue  
1333 generated for or allocated to the program as a percentage of the amount of revenue that could  
1334 have been generated or allocated if the district had fully participated in the program.

1335 (12) (a) Each school district and charter school shall use program monies for reading  
1336 proficiency improvement in grades kindergarten through grade three.

1337 (b) Program monies may not be used to supplant funds for existing programs, but may  
1338 be used to augment existing programs.

1339 (13) (a) Each school district and charter school shall annually submit a report to the  
1340 State Board of Education accounting for the expenditure of program monies in accordance with  
1341 its plan for reading proficiency improvement.

1342 (b) If a school district or charter school uses program monies in a manner that is  
1343 inconsistent with Subsection (12), the school district or charter school is liable for reimbursing  
1344 the State Board of Education for the amount of program monies improperly used, up to the  
1345 amount of program monies received from the State Board of Education.

1346 (14) (a) The State Board of Education shall make rules to implement the program.

1347 (b) (i) The rules under Subsection (14)(a) shall require each school district or charter  
1348 school to annually report progress in meeting goals stated in the district's or charter school's  
1349 plan for student reading proficiency as measured by gain scores.

1350 (ii) If a school district or charter school does not meet or exceed the goals, the school  
1351 district or charter school shall prepare a new plan which corrects deficiencies. The new plan  
1352 must be approved by the State Board of Education before the school district or charter school  
1353 receives an allocation for the next year.

1354 ~~[(15) If after 36 months of program operation, a school district fails to meet goals  
1355 stated in the district's plan for student reading proficiency as measured by gain scores, the  
1356 school district shall terminate any levy imposed under Section 53A-17a-151.]~~

1357 Section 29. Section **53A-17a-151** is amended to read:

1358 **53A-17a-151. Board leeway for reading improvement.**

1359 (1) ~~[Each]~~ Except as provided in Subsection (4), a local school board may levy a tax  
1360 rate of up to .000121 per dollar of taxable value for funding the school district's K-3 Reading

1361 Improvement Program created under Section 53A-17a-150.

1362 (2) The levy authorized under this section:

1363 (a) is in addition to any other levy or maximum rate;

1364 (b) does not require voter approval; and

1365 (c) may be modified or terminated by a majority vote of the board.

1366 (3) A local school board shall establish its board-approved levy under this section by

1367 June 1 to have the levy apply to the fiscal year beginning July 1 in that same calendar year.

1368 (4) Beginning January 1, 2011, a local school board may not levy a tax in accordance

1369 with this section.

1370 Section 30. Section **53A-17a-164** is enacted to read:

1371 **53A-17a-164. Board local discretionary levy -- State guarantee.**

1372 (1) As used in this section:

1373 (a) "Basic levy increment" means an amount equal to the difference of:

1374 (i) the amount of revenue that would be generated within a school district by the

1375 imposition of the certified revenue levy described in Section 53A-17a-103 for the current

1376 calendar year; and

1377 (ii) the estimated amount of revenue to be generated within the school district by the

1378 imposition of the minimum basic tax rate levied in accordance with Section 53A-17a-135

1379 during the current calendar year.

1380 (b) "Board property tax revenue" means:

1381 (i) for the calendar year beginning on January 1, 2011, an amount equal to the sum of

1382 the following:

1383 (A) the amount of revenue generated during the taxable year beginning on January 1,

1384 2010, from the sum of the following levies of a school district:

1385 (I) Section 11-2-7;

1386 (II) Section 53A-17a-127;

1387 (III) Section 53A-17a-134;

1388 (IV) Section 53A-17a-143;

1389 (V) the portion of the 10% of basic levy described in Section 53A-17a-145 that is

1390 budgeted for textbooks, supplies, maintenance, and operations;

1391 (VI) Section 53A-17a-151; and

1392 (VII) Section 63G-7-704; and  
 1393 ~~H→ [(B) an amount of revenue equal to the product of:~~  
 1394 ~~—— (H) (B) revenue from ←H~~ new growth as defined in Subsection 59-2-924(4)(c); and  
 1395 ~~H→ [(H) Subsection (1)(b)(i)(A); and] ←H~~  
 1396 (ii) for a calendar year beginning on or after January 1, 2012, an amount equal to the  
 1397 sum of the following:  
 1398 (A) the amount of revenue generated during the prior taxable year by the school  
 1399 district's board local discretionary levy; and  
 1400 ~~H→ [(B) an amount of revenue equal to the product of:~~  
 1401 ~~—— (H) (B) revenue from ←H~~ new growth as defined in Subsection 59-2-924(4)(c)  
 1401a ~~H→ [; and] .~~  
 1402 ~~[(H) Subsection (1)(b)(ii)(A);] ←H~~  
 1403 (c) "Certified tax rate" means a school district's certified tax rate calculated in  
 1404 accordance with Section 59-2-924.  
 1405 (d) "Increased revenue generated statewide from the minimum basic levy" means an  
 1406 amount equal to the difference of:  
 1407 (i) the estimated amount of revenue generated statewide by the imposition of the  
 1408 minimum basic tax rate levied in accordance with Section 53A-17a-135 during the current  
 1409 calendar year; and  
 1410 (ii) the amount of revenue that would be generated statewide by the imposition of the  
 1411 certified revenue levy during the same calendar year.  
 1412 (e) "Minimum basic levy rate increase" means the rate equal to the difference of:  
 1413 (i) the minimum basic tax rate levied during the current year; and  
 1414 (ii) the certified revenue levy tax rate for the current year.  
 1415 (f) "WPU distribution from the basic levy increase" means the revenue distributed to a  
 1416 school district from the minimum school program under Title 53A, Chapter 17a, Part 1,  
 1417 Minimum School Program, as a result of the increased revenue generated statewide from the  
 1418 minimum basic levy described in Subsection (1)(d).  
 1419 (2) (a) Subject to the other requirements of this section, for a taxable year beginning on  
 1420 or after January 1, 2011, a local school board may levy a tax to fund the school district's  
 1421 general fund.  
 1422 (b) Except as provided in Subsection (2)(c), a tax rate imposed by a school district

1423 pursuant to this section may not exceed .0018 per dollar of taxable value in any fiscal year.

1424 (c) Notwithstanding Subsection (2)(b), a tax rate imposed by a school district pursuant  
1425 to this section may not exceed .0025 per dollar of taxable value in any fiscal year if, during the  
1426 calendar year beginning on January 1, 2010 and ending on December 31, 2010, the school  
1427 district's combined tax rate of the following levies was .0018 per dollar of taxable value or  
1428 more:

1429 (i) Section 11-2-7;

1430 (ii) Section 53A-17a-127;

1431 (iii) Section 53A-17a-134;

1432 (iv) Section 53A-17a-143;

1433 (v) the portion of the 10% of basic levy described in Section 53A-17a-145 that is  
1434 budgeted for textbooks, supplies, maintenance, and operations;

1435 (vi) Section 53A-17a-151; and

1436 (vii) Section 63-7-704.

1437 (3) (a) In addition to the revenue a school district collects from the imposition of a levy  
1438 pursuant to this section, the state shall contribute an amount sufficient to guarantee \$25.25 per  
1439 weighted pupil unit for each .0001 of the first .0004 per dollar of taxable value.

1440 (b) (i) Beginning July 1, 2009, the \$25.25 guarantee under Subsection (3)(a) shall be  
1441 indexed each year to the value of the weighted pupil unit by making the value of the guarantee  
1442 equal to .009798 times the value of the prior year's weighted pupil unit.

1443 (ii) Except as provided in Subsection (3)(b)(iii), the guarantee shall increase by .0005  
1444 times the value of the prior year's weighted pupil unit for each succeeding year.

1445 (iii) The guarantee described in Subsection (3)(b)(i) may not exceed .010544 times the  
1446 value of the prior year's weighted pupil unit.

1447 (c) (i) The amount of state guarantee money to which a school district would otherwise  
1448 be entitled to under this Subsection (3) may not be reduced for the sole reason that the district's  
1449 levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924  
1450 pursuant to changes in property valuation.

1451 (ii) Subsection (3)(c)(i) applies for a period of five years following any such change in  
1452 the certified tax rate.

1453 (4) For a fiscal year beginning on or after fiscal year 2011-12, a school district is

1454 exempt from the public notice and hearing requirements of Section 59-2-919 for the school  
 1455 district's board local discretionary levy if the local school board budgets an amount of ad  
 1456 valorem property tax revenue equal to or less than the difference of the following:

1457 (a) the school district's board property tax revenue; minus

1458 (b) the greater of:

1459 (i) the school district's estimated WPU distribution from the basic levy increase

1460 described in Subsection (1)(f) during the current calendar year; or

1461 (ii) the school district's basic levy increment described in Subsection (1)(a) for the

1462 same calendar year.

1463 Section 31. Section **53A-21-101.5** is amended to read:

1464 **53A-21-101.5. Definitions.**

1465 As used in this chapter:

1466 (1) "ADM" or "pupil in average daily membership" is as defined in Section

1467 53A-17a-103.

1468 (2) "Combined capital levy rate" means a rate that includes the sum of the following

1469 property tax levies:

1470 (a) the capital ~~[outlay]~~ discretionary levy authorized in Section ~~[53A-16-107;]~~

1471 53A-16-113; and

1472 ~~[(b) the portion of the 10% of basic levy described in Section 53A-17a-145 that is~~

1473 ~~budgeted for debt service or capital outlay;]~~

1474 ~~[(c)]~~ (b) the debt service levy authorized in Section 11-14-310~~[- and]~~.

1475 ~~[(d) the voted capital outlay leeway authorized in Section 53A-16-110.]~~

1476 (3) "Derived net taxable value" means the quotient of:

1477 (a) the total current property tax collections from April 1 through the following March

1478 31 for a school district; divided by

1479 (b) the school district's total tax rate for the calendar year preceding the March 31

1480 referenced in Subsection (3)(a).

1481 (4) "Highest combined capital levy rate" means the highest combined capital levy rate

1482 imposed by any school district within the state for a fiscal year.

1483 (5) "Property tax base per ADM" means the quotient of:

1484 (a) a school district's derived net taxable value; divided by



- 1485 (b) the school district's ADM for the same year.
- 1486 (6) "Property tax yield per ADM" means:
- 1487 (a) the product of:
- 1488 (i) a school district's derived net taxable value; and
- 1489 (ii) the highest combined capital levy rate for the fiscal year of the March 31 referenced
- 1490 in Subsection (3)(a); divided by
- 1491 (b) the school district's ADM for the same fiscal year.
- 1492 (7) "Statewide average property tax base per ADM" means the quotient of:
- 1493 (a) the sum of all school districts' derived net taxable value; divided by
- 1494 (b) the sum of all school districts' ADM statewide for the same year.
- 1495 Section 32. Section **59-2-904** is amended to read:
- 1496 **59-2-904. Participation by district in state's contributions to state-supported**
- 1497 **guarantees.**
- 1498 (1) In addition to the basic state contribution provided in Section 59-2-902, [~~each~~] a
- 1499 school district may participate in the state's contributions to the state-supported [~~teeway~~] levy
- 1500 program under Section 53A-17a-133 or 53A-17a-164 by conforming to the requirements of the
- 1501 Minimum School Program Act and by making the required additional levy. [~~Each district shall~~
- 1502 ~~participate~~]
- 1503 (2) A school district that participates in [~~the~~] a state-supported [~~teeway~~] levy program[;
- 1504 ~~and~~] shall certify to the State Board of Education the results of its determination and the
- 1505 amount of [~~additional levy which~~] the board or voted local discretionary levy that the district
- 1506 will impose.
- 1507 Section 33. Section **59-2-924** is amended to read:
- 1508 **59-2-924. Report of valuation of property to county auditor and commission --**
- 1509 **Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified**
- 1510 **tax rate -- Rulemaking authority -- Adoption of tentative budget.**
- 1511 (1) Before June 1 of each year, the county assessor of each county shall deliver to the
- 1512 county auditor and the commission the following statements:
- 1513 (a) a statement containing the aggregate valuation of all taxable real property assessed
- 1514 by a county assessor in accordance with Part 3, County Assessment, for each taxing entity; and
- 1515 (b) a statement containing the taxable value of all personal property assessed by a

1516 county assessor in accordance with Part 3, County Assessment, from the prior year end values.

1517 (2) The county auditor shall, on or before June 8, transmit to the governing body of  
1518 each taxing entity:

1519 (a) the statements described in Subsections (1)(a) and (b);

1520 (b) an estimate of the revenue from personal property;

1521 (c) the certified tax rate; and

1522 (d) all forms necessary to submit a tax levy request.

1523 (3) (a) The "certified tax rate" means a tax rate that will provide the same ad valorem  
1524 property tax revenues for a taxing entity as were budgeted by that taxing entity for the prior  
1525 year.

1526 (b) For purposes of this Subsection (3):

1527 (i) "Ad valorem property tax revenues" do not include:

1528 (A) interest;

1529 (B) penalties; and

1530 (C) revenue received by a taxing entity from personal property that is:

1531 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and

1532 (II) semiconductor manufacturing equipment.

1533 (ii) "Aggregate taxable value of all property taxed" means:

1534 (A) the aggregate taxable value of all real property assessed by a county assessor in  
1535 accordance with Part 3, County Assessment, for the current year;

1536 (B) the aggregate taxable year end value of all personal property assessed by a county  
1537 assessor in accordance with Part 3, County Assessment, for the prior year; and

1538 (C) the aggregate taxable value of all real and personal property assessed by the  
1539 commission in accordance with Part 2, Assessment of Property, for the current year.

1540 (c) (i) Except as otherwise provided in this section, the certified tax rate shall be  
1541 calculated by dividing the ad valorem property tax revenues budgeted for the prior year by the  
1542 taxing entity by the amount calculated under Subsection (3)(c)(ii).

1543 (ii) For purposes of Subsection (3)(c)(i), the legislative body of a taxing entity shall  
1544 calculate an amount as follows:

1545 (A) calculate for the taxing entity the difference between:

1546 (I) the aggregate taxable value of all property taxed; and

1547 (II) any redevelopment adjustments for the current calendar year;

1548 (B) after making the calculation required by Subsection (3)(c)(ii)(A), calculate an  
1549 amount determined by increasing or decreasing the amount calculated under Subsection  
1550 (3)(c)(ii)(A) by the average of the percentage net change in the value of taxable property for the  
1551 equalization period for the three calendar years immediately preceding the current calendar  
1552 year;

1553 (C) after making the calculation required by Subsection (3)(c)(ii)(B), calculate the  
1554 product of:

1555 (I) the amount calculated under Subsection (3)(c)(ii)(B); and  
1556 (II) the percentage of property taxes collected for the five calendar years immediately  
1557 preceding the current calendar year; and

1558 (D) after making the calculation required by Subsection (3)(c)(ii)(C), calculate an  
1559 amount determined by subtracting from the amount calculated under Subsection (3)(c)(ii)(C)  
1560 any new growth as defined in this section:

1561 (I) within the taxing entity; and  
1562 (II) for the following calendar year:

1563 (Aa) for new growth from real property assessed by a county assessor in accordance  
1564 with Part 3, County Assessment and all property assessed by the commission in accordance  
1565 with Section 59-2-201, the current calendar year; and

1566 (Bb) for new growth from personal property assessed by a county assessor in  
1567 accordance with Part 3, County Assessment, the prior calendar year.

1568 (iii) For purposes of Subsection (3)(c)(ii)(A), the aggregate taxable value of all  
1569 property taxed:

1570 (A) except as provided in Subsection (3)(c)(iii)(B) or (3)(c)(ii)(C), is as defined in  
1571 Subsection (3)(b)(ii);

1572 (B) does not include the total taxable value of personal property contained on the tax  
1573 rolls of the taxing entity that is:

1574 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and  
1575 (II) semiconductor manufacturing equipment; and

1576 (C) for personal property assessed by a county assessor in accordance with Part 3,  
1577 County Assessment, the taxable value of personal property is the year end value of the personal

1578 property contained on the prior year's tax rolls of the entity.

1579 (iv) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after  
1580 January 1, 2007, the value of taxable property does not include the value of personal property  
1581 that is:

1582 (A) within the taxing entity assessed by a county assessor in accordance with Part 3,  
1583 County Assessment; and

1584 (B) semiconductor manufacturing equipment.

1585 (v) For purposes of Subsection (3)(c)(ii)(C)(II), for calendar years beginning on or after  
1586 January 1, 2007, the percentage of property taxes collected does not include property taxes  
1587 collected from personal property that is:

1588 (A) within the taxing entity assessed by a county assessor in accordance with Part 3,  
1589 County Assessment; and

1590 (B) semiconductor manufacturing equipment.

1591 (vi) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after  
1592 January 1, 2009, the value of taxable property does not include the value of personal property  
1593 that is within the taxing entity assessed by a county assessor in accordance with Part 3, County  
1594 Assessment.

1595 (vii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
1596 the commission may prescribe rules for calculating redevelopment adjustments for a calendar  
1597 year.

1598 (viii) (A) For purposes of Subsection (3)(c)(i), for a calendar year beginning on or after  
1599 January 1, 2010, a taxing entity's ad valorem property tax revenues budgeted for the prior year  
1600 shall be decreased by an amount of revenue equal to the five-year average of the most recent  
1601 prior five years of redemptions as reported on the county treasurer's final annual settlement  
1602 required under Subsection 59-2-1365(2).

1603 (B) For the calendar year beginning on January 1, 2010 and ending on December 31,  
1604 2010, a taxing entity is exempt from the notice and public hearing provisions of Section  
1605 59-2-919 if the taxing entity budgets an increased amount of ad valorem property tax revenue  
1606 equal to or less than the taxing entity's five-year average of the most recent prior five years of  
1607 redemptions as reported on the county treasurer's final annual settlement required under  
1608 Subsection 59-2-1365(2).

1609 (d) (i) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
1610 the commission shall make rules determining the calculation of ad valorem property tax  
1611 revenues budgeted by a taxing entity.

1612 (ii) For purposes of Subsection (3)(d)(i), ad valorem property tax revenues budgeted by  
1613 a taxing entity shall be calculated in the same manner as budgeted property tax revenues are  
1614 calculated for purposes of Section 59-2-913.

1615 (e) The certified tax rates for the taxing entities described in this Subsection (3)(e) shall  
1616 be calculated as follows:

1617 (i) except as provided in Subsection (3)(e)(ii), for new taxing entities the certified tax  
1618 rate is zero;

1619 (ii) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

1620 (A) in a county of the first, second, or third class, the levy imposed for municipal-type  
1621 services under Sections 17-34-1 and 17-36-9; and

1622 (B) in a county of the fourth, fifth, or sixth class, the levy imposed for general county  
1623 purposes and such other levies imposed solely for the municipal-type services identified in  
1624 Section 17-34-1 and Subsection 17-36-3(22); and

1625 (iii) for debt service voted on by the public, the certified tax rate shall be the actual  
1626 levy imposed by that section, except that the certified tax rates for the following levies shall be  
1627 calculated in accordance with Section 59-2-913 and this section:

1628 (A) school [~~fees~~ levies] provided for under Sections [~~11-2-7, 53A-16-110,~~  
1629 ~~53A-17a-127, 53A-17a-133, 53A-17a-134, 53A-17a-143, and 53A-17a-145~~] 53A-16-113,  
1630 53A-17a-133, and 53A-17a-164; and

1631 (B) levies to pay for the costs of state legislative mandates or judicial or administrative  
1632 orders under Section 59-2-1604.

1633 (f) (i) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 shall be  
1634 established at that rate which is sufficient to generate only the revenue required to satisfy one  
1635 or more eligible judgments, as defined in Section 59-2-102.

1636 (ii) The ad valorem property tax revenue generated by the judgment levy shall not be  
1637 considered in establishing the taxing entity's aggregate certified tax rate.

1638 (g) The ad valorem property tax revenue generated by the capital [~~outlay~~] discretionary  
1639 levy described in Section [~~53A-16-107~~] 53A-16-113 within a taxing entity in a county of the

1640 first class:

1641 (i) may not be considered in establishing the school district's aggregate certified tax  
1642 rate; and

1643 (ii) shall be included by the commission in establishing a certified tax rate for that  
1644 capital ~~outlay~~ discretionary levy determined in accordance with the calculation described in  
1645 Subsection 59-2-913(3).

1646 (4) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

1647 (i) the taxable value of real property assessed by a county assessor contained on the  
1648 assessment roll;

1649 (ii) the taxable value of real and personal property assessed by the commission; and

1650 (iii) the taxable year end value of personal property assessed by a county assessor  
1651 contained on the prior year's assessment roll.

1652 (b) For purposes of Subsection (4)(a)(i), the taxable value of real property on the  
1653 assessment roll does not include new growth as defined in Subsection (4)(c).

1654 (c) "New growth" means:

1655 (i) the difference between the increase in taxable value of the following property of the  
1656 taxing entity from the previous calendar year to the current year:

1657 (A) real property assessed by a county assessor in accordance with Part 3, County  
1658 Assessment; and

1659 (B) property assessed by the commission under Section 59-2-201; plus

1660 (ii) the difference between the increase in taxable year end value of personal property  
1661 of the taxing entity from the year prior to the previous calendar year to the previous calendar  
1662 year; minus

1663 (iii) the amount of an increase in taxable value described in Subsection (4)(e).

1664 (d) For purposes of Subsection (4)(c)(ii), the taxable value of personal property of the  
1665 taxing entity does not include the taxable value of personal property that is:

1666 (i) contained on the tax rolls of the taxing entity if that property is assessed by a county  
1667 assessor in accordance with Part 3, County Assessment; and

1668 (ii) semiconductor manufacturing equipment.

1669 (e) Subsection (4)(c)(iii) applies to the following increases in taxable value:

1670 (i) the amount of increase to locally assessed real property taxable values resulting

1671 from factoring, reappraisal, or any other adjustments; or  
 1672 (ii) the amount of an increase in the taxable value of property assessed by the  
 1673 commission under Section 59-2-201 resulting from a change in the method of apportioning the  
 1674 taxable value prescribed by:

- 1675 (A) the Legislature;
- 1676 (B) a court;
- 1677 (C) the commission in an administrative rule; or
- 1678 (D) the commission in an administrative order.

1679 (f) For purposes of Subsection (4)(a)(ii), the taxable year end value of personal  
 1680 property on the prior year's assessment roll does not include:

- 1681 (i) new growth as defined in Subsection (4)(c); or
- 1682 (ii) the total taxable year end value of personal property contained on the prior year's

1683 tax rolls of the taxing entity that is:

- 1684 (A) assessed by a county assessor in accordance with Part 3, County Assessment; and
- 1685 (B) semiconductor manufacturing equipment.

1686 (5) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.

1687 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county  
 1688 auditor of:

- 1689 (i) its intent to exceed the certified tax rate; and
- 1690 (ii) the amount by which it proposes to exceed the certified tax rate.
- 1691 (c) The county auditor shall notify property owners of any intent to levy a tax rate that  
 1692 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

1693 Section 34. Section **59-2-924.3** is amended to read:

1694 **59-2-924.3. Adjustment of the calculation of the certified tax rate for a school**  
 1695 **district imposing a capital discretionary levy in a county of the first class.**

1696 (1) As used in this section:

1697 (a) "Capital [~~outlay~~] discretionary levy increment" means the amount of revenue equal  
 1698 to the difference between:

1699 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value  
 1700 within a school district during a fiscal year; and

1701 (ii) the amount of revenue the school district received during the same fiscal year from

1702 the distribution described in Subsection ~~[53A-16-107.1]~~ 53A-16-114(1).

1703 (b) "Contributing school district" means a school district in a county of the first class  
1704 that in a fiscal year receives less revenue from the distribution described in Subsection  
1705 ~~[53A-16-107.1]~~ 53A-16-114(1) than it would have received during the same fiscal year from a  
1706 levy imposed within the school district of .0006 per dollar of taxable value.

1707 (c) "Receiving school district" means a school district in a county of the first class that  
1708 in a fiscal year receives more revenue from the distribution described in Subsection  
1709 ~~[53A-16-107.1]~~ 53A-16-114(1) than it would have received during the same fiscal year from a  
1710 levy imposed within the school district of .0006 per dollar of taxable value.

1711 ~~[(2) For fiscal year 2009-10, a receiving school district shall decrease its capital outlay~~  
1712 ~~certified tax rate under Subsection 59-2-924(3)(g)(ii) by an amount required to offset the~~  
1713 ~~receiving school district's estimated capital outlay increment for the current fiscal year.]~~

1714 ~~[(3)]~~ (2) ~~[Beginning with fiscal year 2010-11, a]~~ A receiving school district shall  
1715 decrease its capital ~~[outlay]~~ discretionary levy certified tax rate under Subsection  
1716 59-2-924(3)(g)(ii) by the amount required to offset the receiving school district's ~~[capital~~  
1717 ~~outlay]~~ estimated capital discretionary levy increment for the prior fiscal year.

1718 ~~[(4) For fiscal year 2009-10, a contributing school district is exempt from the notice~~  
1719 ~~and public hearing provisions of Section 59-2-919 for the school district's capital outlay levy~~  
1720 ~~certified tax rate calculated pursuant to Subsection 59-2-924(3)(g)(ii) if:]~~

1721 ~~[(a) the contributing school district budgets an increased amount of ad valorem~~  
1722 ~~property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the~~  
1723 ~~capital outlay levy described in Section 53A-16-107; and]~~

1724 ~~[(b) the increased amount of ad valorem property tax revenue described in Subsection~~  
1725 ~~(4)(a) is less than or equal to that contributing school district's estimated capital outlay~~  
1726 ~~increment for the current fiscal year.]~~

1727 ~~[(5)]~~ (3) ~~[Beginning with fiscal year 2010-11, a]~~ A contributing school district is  
1728 exempt from the notice and public hearing provisions of Section 59-2-919 for the school  
1729 district's capital ~~[outlay]~~ discretionary levy certified tax rate calculated pursuant to Subsection  
1730 59-2-924(3)(g)(ii) if:

1731 (a) the contributing school district budgets an increased amount of ad valorem property  
1732 tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the capital



1733 [~~outlay~~] discretionary levy described in Section [~~53A-16-107~~] 53A-16-113; and

1734 (b) the increased amount of ad valorem property tax revenue described in Subsection

1735 [~~(5)~~] (3)(a) is less than or equal to that contributing school district's capital [~~outlay~~]

1736 discretionary levy increment for the prior year.

1737 [~~(6)~~] (4) Beginning with fiscal year 2011-12, a contributing school district is exempt

1738 from the notice and public hearing provisions of Section 59-2-919 for the school district's

1739 capital [~~outlay~~] discretionary levy certified tax rate calculated pursuant to Subsection

1740 59-2-924(3)(g)(ii) if:

1741 (a) the contributing school district budgets an increased amount of ad valorem property

1742 tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the capital

1743 [~~outlay~~] discretionary levy described in Section [~~53A-16-107~~] 53A-16-113; and

1744 (b) the increased amount of ad valorem property tax revenue described in Subsection

1745 [~~(6)~~] (4)(a) is less than or equal to the difference between:

1746 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value

1747 imposed within the contributing school district during the current taxable year; and

1748 (ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value

1749 imposed within the contributing school district during the prior taxable year.

1750 [~~(7)~~] (5) Regardless of the amount a school district receives from the revenue collected

1751 from the .0006 portion of the capital [~~outlay~~] discretionary levy required in Subsection

1752 [~~53A-16-107(3)~~] 53A-16-113(4), the revenue generated within the school district from the

1753 .0006 portion of the capital [~~outlay~~] discretionary levy required in Subsection [~~53A-16-107(3)~~]

1754 53A-16-113(4) shall be considered to be budgeted ad valorem property tax revenues of the

1755 school district that levies the .0006 portion of the capital [~~outlay~~] discretionary levy for

1756 purposes of calculating the school district's certified tax rate in accordance with Subsection

1757 59-2-924(3)(g)(ii).

1758 Section 35. Section **59-2-924.4** is amended to read:

1759 **59-2-924.4. Adjustment of the calculation of the certified tax rate for certain**

1760 **divided school districts.**

1761 (1) As used in this section:

1762 (a) "Capital [~~outlay~~] discretionary levy increment" means the amount of revenue equal

1763 to the difference between:

1764 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value  
1765 within a qualifying divided school district during a fiscal year; and

1766 (ii) the amount of revenue the qualifying divided school district received during the  
1767 same fiscal year from the distribution described in Section 53A-2-118.3.

1768 (b) "Contributing divided school district" means a school district located within a  
1769 qualifying divided school district that in a fiscal year receives less revenue from the distribution  
1770 described in Section 53A-2-118.3 than it would have received during the same fiscal year from  
1771 a levy imposed within the school district of .0006 per dollar of taxable value.

1772 (c) "Divided school district" means a school district from which a new school district is  
1773 created.

1774 (d) "New school district" means a school district:

1775 (i) created under Section 53A-2-118.1;

1776 (ii) that begins to provide educational services after July 1, 2008; and

1777 (iii) located in a qualifying divided school district.

1778 (e) "Qualifying divided school district" means a divided school district:

1779 (i) located within a county of the second through sixth class; and

1780 (ii) with a new school district created under Section 53A-2-118.1 that begins to provide  
1781 educational services after July 1, 2008.

1782 (f) "Qualifying fiscal year" means the first fiscal year that a new school district begins  
1783 to provide educational services.

1784 (g) "Receiving divided school district" means a school district located within a  
1785 qualifying divided school district that in a fiscal year receives more revenue from the  
1786 distribution described in Section 53A-2-118.3 than it would have received during the same  
1787 fiscal year from a levy imposed within the school district of .0006 per dollar of taxable value.

1788 (2) A receiving divided school district shall decrease its certified tax rate calculated in  
1789 accordance with Section 59-2-924 by the amount required to offset the receiving divided  
1790 school district's capital ~~outlay~~ discretionary levy increment for the prior fiscal year.

1791 (3) Beginning with the fiscal year after the qualifying fiscal year, a contributing divided  
1792 school district is exempt from the notice and public hearing provisions of Section 59-2-919 for  
1793 the contributing divided school district's certified tax rate calculated pursuant to Section  
1794 59-2-924 if:

1795 (a) the contributing divided school district budgets an increased amount of ad valorem  
 1796 property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the  
 1797 capital ~~[outlay]~~ discretionary levy required in Section 53A-2-118.3; and

1798 (b) the increased amount of ad valorem property tax revenue described in Subsection  
 1799 (3)(a) is less than or equal to that contributing divided school district's capital ~~[outlay]~~  
 1800 discretionary levy increment for the prior year.

1801 (4) Beginning with the fiscal year after the qualifying fiscal year, a contributing divided  
 1802 school district is exempt from the notice and public hearing provisions of Section 59-2-919 for  
 1803 the contributing divided school district's certified tax rate calculated pursuant to Section  
 1804 59-2-924 if:

1805 (a) the contributing divided school district budgets an increased amount of ad valorem  
 1806 property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the  
 1807 capital ~~[outlay]~~ discretionary levy described in Section 53A-2-118.3; and

1808 (b) the increased amount of ad valorem property tax revenue described in Subsection  
 1809 (4)(a) is less than or equal to the difference between:

1810 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value  
 1811 imposed within the contributing divided school district during the current taxable year; and

1812 (ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value  
 1813 imposed within the contributing divided school district during the prior taxable year.

1814 (5) Regardless of the amount a school district receives from the revenue collected from  
 1815 the .0006 portion of the capital ~~[outlay]~~ discretionary levy described in Section 53A-2-118.3,  
 1816 the revenue generated within the school district from the .0006 portion of the capital outlay  
 1817 levy described in Section 53A-2-118.3 shall be considered to be budgeted ad valorem property  
 1818 tax revenues of the school district that levies the .0006 portion of the capital ~~[outlay]~~  
 1819 discretionary levy for purposes of calculating the school district's certified tax rate in  
 1820 accordance with Section 59-2-924.

1821 Section 36. Section **59-2-926** is amended to read:

1822 **59-2-926. Proposed tax increase by state -- Notice -- Contents -- Dates.**

1823 If the state authorizes a levy ~~[pursuant to Section 53A-17a-135 that exceeds the~~  
 1824 ~~certified revenue levy as defined in Section 53A-17a-103 or authorizes a levy]~~ pursuant to  
 1825 Section 59-2-1602 that exceeds the certified revenue levy as defined in Section 59-2-102, the

1826 state shall publish a notice no later than 10 days after the last day of the annual legislative  
1827 general session that meets the following requirements:

1828 (1) (a) The Office of the Legislative Fiscal Analyst shall advertise that the state  
1829 authorized a levy that generates revenue in excess of the previous year's ad valorem tax  
1830 revenue, plus new growth, but exclusive of revenue from collections from redemptions,  
1831 interest, and penalties:

1832 (i) in a newspaper of general circulation in the state; and

1833 (ii) as required in Section 45-1-101.

1834 (b) Except an advertisement published on a website, the advertisement described in  
1835 Subsection (1)(a):

1836 (i) shall be no less than 1/4 page in size and the type used shall be no smaller than 18  
1837 point, and surrounded by a 1/4-inch border[?];

1838 (ii) may not be placed in that portion of the newspaper where legal notices and  
1839 classified advertisements appear; and

1840 (iii) shall be run once.

1841 (2) The form and content of the notice shall be substantially as follows:

1842 "NOTICE OF TAX INCREASE

1843 The state has budgeted an increase in its property tax revenue from \$\_\_\_\_\_ to  
1844 \$\_\_\_\_\_ or \_\_\_\_%. The increase in property tax revenues will come from the following  
1845 sources (include all of the following provisions):

1846 (a) \$\_\_\_\_\_ of the increase will come from (provide an explanation of the cause  
1847 of adjustment or increased revenues, such as reappraisals or factoring orders);

1848 (b) \$\_\_\_\_\_ of the increase will come from natural increases in the value of the  
1849 tax base due to (explain cause of new growth, such as new building activity, annexation, etc.);

1850 (c) a home valued at \$100,000 in the state of Utah which based on last year's (~~levy for~~  
1851 ~~the basic state-supported school program;~~ levy for the Property Tax Valuation Agency Fund,  
1852 [~~or both~~]) paid \$\_\_\_\_\_ in property taxes would pay the following:

1853 (i) \$\_\_\_\_\_ if the state of Utah did not budget an increase in property tax revenue  
1854 exclusive of new growth; and

1855 (ii) \$\_\_\_\_\_ under the increased property tax revenues exclusive of new growth  
1856 budgeted by the state of Utah."

1857 Section 37. Section **63G-7-704** is amended to read:

1858 **63G-7-704. Tax levy by political subdivisions for payment of claims, judgments,**  
1859 **or insurance premiums.**

1860 (1) Notwithstanding any provision of law to the contrary, a political subdivision may  
1861 levy an annual property tax sufficient to pay:

1862 (a) any claim, settlement, or judgment;

1863 (b) the costs to defend against any claim, settlement, or judgment; or

1864 (c) for the establishment and maintenance of a reserve fund for the payment of claims,  
1865 settlements, or judgments that may be reasonably anticipated.

1866 (2) (a) The payments authorized to pay for punitive damages or to pay the premium for  
1867 authorized insurance is money spent for a public purpose within the meaning of this section  
1868 and Article XIII, Sec. 5, Utah Constitution, even though, as a result of the levy, the maximum  
1869 levy as otherwise restricted by law is exceeded.

1870 (b) No levy under this section may exceed .0001 per dollar of taxable value of taxable  
1871 property.

1872 (c) The revenues derived from this levy may not be used for any purpose other than  
1873 those specified in this section.

1874 (3) Beginning January 1, 2011, a local school board may not levy a tax in accordance  
1875 with this section.

1876 Section 38. **Repealer.**

1877 This bill repeals:

1878 Section **53A-16-111, Payment of judgments and warrants -- Special tax.**

1879 Section 39. **Effective date.**

1880 This bill takes effect on January 1, 2011.

**Legislative Review Note**  
as of 1-7-10 12:39 PM

**Office of Legislative Research and General Counsel**

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**H.B. 129 - Amendments to Education Financing**

**Fiscal Note**

2010 General Session  
State of Utah

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**State Impact**

Enacting this bill freezes the minimum basic state rate and guarantees a minimum amount of property tax revenue from the basic rate. This increases the local portion of the minimum school program by \$5,146,000 in FY 2012 and is distributed through the WPU. Due to recapture, revenue to the Uniform School Fund could increase by \$4,650,000 in FY 2012.

	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2011</u> <u>Approp.</u>	<u>FY 2012</u> <u>Approp.</u>	<u>FY 2010</u> <u>Revenue</u>	<u>FY 2011</u> <u>Revenue</u>	<u>FY 2012</u> <u>Revenue</u>
Uniform School Fund	\$0	\$0	\$0	\$0	\$0	\$4,650,000
Property Tax	\$0	\$0	\$5,146,000	\$0	\$0	\$5,146,000
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,146,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,796,000</b>

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**Individual, Business and/or Local Impact**

Enacting this bill could increase or decrease revenue to school districts depending upon property tax revenue generated within a district and the funding received by the district through the minimum school program. Because of the revenue increase from the basic rate freeze, other local property taxes decrease by \$5,146,000. If a school district that has a decrease in revenue decides to make up the lost revenue, there will be an increase in property tax on individuals and businesses. There will likely be recapture of \$4,650,000 from school districts to the Uniform School Fund in FY 2012.