

SCHOOL DISTRICT USE OF PROPERTY TAX REVENUE

2020 FIFTH SPECIAL SESSION

STATE OF UTAH

Chief Sponsor: V. Lowry Snow

Senate Sponsor: Deidre M. Henderson

LONG TITLE

General Description:

This bill allows increased flexibility in a local school board's use of revenue from the capital local levy.

Highlighted Provisions:

This bill:

- ▶ allows increased flexibility in a local school board's use of revenue from the capital local levy;
- ▶ imposes notice, hearing, and approval requirements on the expanded use of capital local levy revenue; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

53F-8-303 (Contingently Superseded 01/01/21), as last amended by Laws of Utah 2018, Chapters 281, 288, 456 and renumbered and amended by Laws of Utah 2018, Chapter 2

53F-8-303 (Contingently Effective 01/01/21), as last amended by Laws of Utah 2020, Chapter 207

29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55

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

Section 1. Section **53F-8-303 (Contingently Superseded 01/01/21)** is amended to read:

53F-8-303 (Contingently Superseded 01/01/21). Capital local levy.

(1) Subject to the other requirements of this section, a local school board may levy a tax to fund the school district's:

- (a) capital projects; or
- (b) technology programs or projects.

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

(3) (a) For the fiscal years beginning on July 1, 2020, and July 1, 2021, a local school board may transfer revenue derived from a levy under this section from the school district's capital project fund to the school district's general fund for the local school board's school district for operational expenses.

(b) If a local school board transfers revenue for operational expenses under Subsection (3)(a), the local school board shall, in a public meeting:

(i) notify the public of the local school board's transfer of the funds for operational expenses, including describing how the local school board proposes to use the funds;

(ii) for the fiscal year beginning July 1, 2021, allow an opportunity for public comment during the board's budget hearing in accordance with the notice and hearing requirements described in Section [53G-7-303](#); and

(iii) approve the proposed use of the funds by majority vote of the local school board.

Section 2. Section **53F-8-303 (Contingently Effective 01/01/21)** is amended to read:

53F-8-303 (Contingently Effective 01/01/21). Capital local levy.

(1) As used in this section:

(a) "Cost of the basic program" means the cost of the programs described in Title 53F,

56 Chapter 2, Part 3, Basic Program (Weighted Pupil Units) in a school district.

57 (b) "Low-revenue year" means a fiscal year for which the Legislature appropriates
58 ongoing funding from the Public Education Economic Stabilization Restricted Account under
59 Subsection 53F-9-204(3)(b).

60 (2) Subject to the other requirements of this section, a local school board may levy a
61 tax to fund the school district's:

62 (a) capital projects;

63 (b) technology programs or projects; or

64 (c) subject to Subsection (4), operational expenses for a low-revenue year.

65 (3) A tax rate imposed by a school district pursuant to this section may not exceed
66 .0030 per dollar of taxable value in any calendar year.

67 (4) ~~[For]~~ Except as provided in Subsection (6), for a low-revenue year, a local school
68 board may transfer an amount of revenue from the school district's capital project fund to the
69 school district's general fund for the local school board's school district for operational
70 expenses in an amount equal to:

71 (a) for a local school board in a county of the first, second, or third class, revenue
72 generated by up to .0002 per dollar of taxable value of the capital local levy; or

73 (b) for a local school board in a county of the fourth, fifth, or sixth class, up to the
74 lesser of:

75 (i) 10% of the cost of the basic program; or

76 (ii) 25% of the revenue that the school district's capital local levy generates.

77 (5) The state board shall notify local school boards, school district superintendents, and
78 business administrators in the event of a low-revenue year.

79 (6) (a) For the fiscal years beginning on July 1, 2020, and July 1, 2021, a local school
80 board may transfer revenue derived from a levy under this section from the school district's
81 capital project fund to the school district's general fund for the local school board's school
82 district for operational expenses.

83 (b) If a local school board transfers revenue for operational expenses under Subsection
84 (6)(a), the local school board shall, in a public meeting:

85 (i) notify the public of the local school board's transfer of the funds for operational
86 expenses, including describing how the local school board proposes to use the funds;

87 (ii) for the fiscal year beginning July 1, 2021, allow an opportunity for public comment
88 during the board's budget hearing in accordance with the notice and hearing requirements
89 described in Section [53G-7-303](#); and

90 (iii) approve the proposed use of the funds by majority vote of the local school board.
91 Section 3. **Effective date.**

92 If approved by two-thirds of all the members elected to each house, this bill takes effect
93 upon approval by the governor, or the day following the constitutional time limit of Utah
94 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,
95 the date of veto override.