

**AMENDMENTS TO EDUCATION FINANCING**

2010 GENERAL SESSION

STATE OF UTAH

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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;
- ▶ creates a local discretionary levy and a capital discretionary levy for school districts;
- ▶ sets the tax rates for the 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
- ▶ makes technical changes.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill takes effect on January 1, 2011.

**Utah Code Sections Affected:**

AMENDS:

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

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

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

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

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

- 33           **53A-2-114**, as last amended by Laws of Utah 2008, Chapter 236
- 34           **53A-2-115**, as last amended by Laws of Utah 2008, Chapter 236
- 35           **53A-2-118.2**, as enacted by Laws of Utah 2007, Chapter 297
- 36           **53A-2-118.3**, as enacted by Laws of Utah 2008, Chapter 236
- 37           **53A-2-206**, as last amended by Laws of Utah 2008, Chapter 382
- 38           **53A-2-214**, as enacted by Laws of Utah 2008, Chapter 233
- 39           **53A-3-415**, as last amended by Laws of Utah 1991, Chapter 72
- 40           **53A-17a-103**, as last amended by Laws of Utah 2008, Chapters 61 and 397
- 41           **53A-17a-104**, as last amended by Laws of Utah 2009, Chapters 4 and 391
- 42           **53A-17a-105**, as last amended by Laws of Utah 2009, Chapter 183
- 43           **53A-17a-127**, as last amended by Laws of Utah 2009, Chapter 391
- 44           **53A-17a-133**, as last amended by Laws of Utah 2009, Chapters 204 and 391
- 45           **53A-17a-135**, as last amended by Laws of Utah 2009, Chapter 391
- 46           **53A-17a-136**, as renumbered and amended by Laws of Utah 1991, Chapter 72
- 47           **53A-17a-143**, as last amended by Laws of Utah 1995, Chapter 271
- 48           **53A-17a-146**, as last amended by Laws of Utah 2009, Chapter 4
- 49           **53A-17a-150**, as enacted by Laws of Utah 2004, Chapter 305
- 50           **53A-21-101.5**, as enacted by Laws of Utah 2008, Chapter 236
- 51           **59-2-904**, as last amended by Laws of Utah 1993, Chapter 4
- 52           **59-2-924 (Effective 01/01/10)**, as last amended by Laws of Utah 2009, Chapters 152,
- 53           204, 356, and 388
- 54           **59-2-924.3**, as last amended by Laws of Utah 2009, Chapter 204
- 55           **59-2-924.4**, as last amended by Laws of Utah 2009, Chapter 204
- 56           **59-2-926**, as last amended by Laws of Utah 2009, Chapter 388
- 57           **63G-7-704**, as renumbered and amended by Laws of Utah 2008, Chapter 382
- 58   ENACTS:
- 59           **53A-16-113**, Utah Code Annotated 1953
- 60           **53A-17a-164**, Utah Code Annotated 1953
- 61   RENUMBERS AND AMENDS:
- 62           **53A-16-114**, (Renumbered from 53A-16-107.1, as enacted by Laws of Utah 2008,
- 63           Chapter 236)

64 REPEALS:

65 **53A-16-107**, as last amended by Laws of Utah 2008, Chapter 236

66 **53A-16-110**, as last amended by Laws of Utah 2008, Chapter 236

67 **53A-16-111**, as enacted by Laws of Utah 1988, Chapter 2

68 **53A-17a-134**, as last amended by Laws of Utah 2009, Chapter 391

69 **53A-17a-145**, as renumbered and amended by Laws of Utah 1991, Chapter 72

70 **53A-17a-151**, as enacted by Laws of Utah 2004, Chapter 305

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

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

74 **11-2-7. Expenses -- Payment of -- Authority to appropriate and tax -- Licensing**  
 75 **of television owners and users -- Collection of license fees -- Exception for a school**  
 76 **district.**

77 (1)(a) All expenses incurred in the equipment, operation and maintenance of such  
 78 recreational facilities and activities shall be paid from the treasuries of the respective cities,  
 79 towns, counties, or school districts~~;~~ and.

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

82 (2) In areas so remote from regular transmission points of the large television stations  
 83 that television reception is impossible without special equipment and adequate, economical and  
 84 proper television is not available to the public by private sources, said local authorities may  
 85 also, by ordinance, license, for the purpose of raising revenue to equip, operate and maintain  
 86 television transmission and relay facilities, all users or owners of television sets within the  
 87 jurisdiction of said local authorities, and may provide for the collection of the license fees by  
 88 suit or otherwise and may also enforce obedience to such ordinances with such fine and  
 89 imprisonment as the local authorities ~~[deem]~~ consider proper; provided that the punishment for  
 90 any violation of such ordinances shall be by a fine not exceeding \$50.00 or by imprisonment  
 91 not exceeding one day for each \$5.00 of said fine, if the fine is not paid.

92 (3) A governing body that is a school district may not levy a tax in accordance with this  
 93 section.

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

95 **11-13-302. Payment of fee in lieu of ad valorem property tax by certain energy**  
96 **suppliers -- Method of calculating -- Collection -- Extent of tax lien.**

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

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

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

105 (i) with respect to each taxing jurisdiction that is a candidate receiving the benefit of  
106 impact alleviation payments under contracts or determination orders provided for in Sections  
107 11-13-305 and 11-13-306, with the fiscal year of the candidate following the fiscal year of the  
108 candidate in which the date of commercial operation of the last generating unit, other than any  
109 generating unit providing additional project capacity, of the project occurs, or, in the case of  
110 any facilities providing additional project capacity, with the fiscal year of the candidate  
111 following the fiscal year of the candidate in which the date of commercial operation of the  
112 generating unit providing the additional project capacity occurs; and

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

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

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

122 (i) a levy mandated by the state for the state minimum school program under Section  
123 53A-17a-135; and

124 (ii) local levies for capital outlay, maintenance, transportation, and other purposes

125 under Sections [~~11-2-7, 53A-16-107, 53A-16-110, 53A-17a-126, 53A-17a-127, 53A-17a-133,~~  
126 ~~53A-17a-134, 53A-17a-143, and 53A-17a-145~~] 53A-16-113, 53A-17a-133, and 53A-17a-164.

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

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

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

133 (A) an annual fee; or

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

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

141 (b) As used in this section, "tax rate," when applied in respect to a school district,  
142 includes any assessment to be made by the school district under Subsection (2) or Section  
143 63M-5-302.

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

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

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

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

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

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

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

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

161 (A) the project entity; and

162 (B) any county that:

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

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

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

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

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

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

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

178 (I) for that year; and

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

180 (B) The valuation required by Subsection (4)(b)(iv)(A) shall be made by the State Tax  
181 Commission in accordance with rules made by the State Tax Commission.

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

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

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

185 (d) (i) The contracts of the project entity with the purchasers of the capacity, service, or  
186 other benefits of the project whose tangible property is not exempted by Utah Constitution

187 Article XIII, Section 3, from the payment of ad valorem property tax shall require each  
188 purchaser, whether or not located in the state, to pay, to the extent not otherwise provided for,  
189 its share, determined in accordance with the terms of the contract, of these fees.

190 (ii) It is the responsibility of the project entity to enforce the obligations of the  
191 purchasers.

192 (5) (a) The responsibility of the project entity to make payment of the annual fees is  
193 limited to the extent that there is legally available to the project entity, from bond proceeds or  
194 revenues, monies to make these payments, and the obligation to make payments of the annual  
195 fees is not otherwise a general obligation or liability of the project entity.

196 (b) No tax lien may attach upon any property or money of the project entity by virtue of  
197 any failure to pay all or any part of an annual fee.

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

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

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

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

204 (A) is not a project entity; and

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

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

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

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

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

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

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

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

222 **20A-1-203. Calling and purpose of special elections.**

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

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

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

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

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

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

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

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

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

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

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

240 (ii) a vote on a ~~[voted highway program]~~ voted local discretionary levy authorized by  
 241 Section 53A-17a-133 ~~[or 53A-17a-134]~~;

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

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

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

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

248 (vii) a vote to elect members to school district boards for a new school district and a

249 remaining school district, as defined in Section 53A-2-117, following the creation of a new  
250 school district under Section 53A-2-118.1; or

251 (viii) an election of town officers of a newly incorporated town under Subsection  
252 10-2-125(9).

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

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

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

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

258 **53A-1a-106. School district and individual school powers.**

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

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

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

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

269 (iii) implement a public school choice program to give parents, students, and teachers  
270 greater flexibility in designing and choosing among programs with different focuses through  
271 schools within the same district and other districts, subject to space availability, demographics,  
272 and legal and performance criteria;

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

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

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

279 (vii) involve business and industry in the education process through the establishment

280 of partnerships with the business community at the district and school level.

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

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

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

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

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

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

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

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

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

300 (b) The reporting process shall involve participation from teachers, parents, and the  
301 community at large in determining how well the district or school is performing.

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

303 **53A-1a-513. Funding for charter schools.**

304 (1) As used in this section:

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

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

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

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

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

314 (i) for fiscal years 2011-12 and 2012-13, the amount determined as follows, using data  
315 from the most recently published school district annual financial reports and state  
316 superintendent's annual report:

317 ~~(+)~~ (A) calculate the sum of a school district's revenue received during the prior year  
318 from:

319 ~~(+)~~ (I) a voted levy imposed under Section 53A-17a-133;

320 ~~(+)~~ (II) a board levy imposed under Section 53A-17a-134;

321 ~~(+)~~ (III) 10% of the cost of the basic program levy imposed under Section  
322 53A-17a-145;

323 ~~(+)~~ (IV) a tort liability levy imposed under Section 63G-7-704;

324 ~~(+)~~ (V) a capital outlay levy imposed under Section 53A-16-107; and

325 ~~(+)~~ (VI) a voted capital outlay levy imposed under Section 53A-16-110; and

326 ~~(+)~~ (B) divide the sum calculated under Subsection (1)(b)(i)(A) by the sum of:

327 ~~(+)~~ (I) a school district's average daily membership; and

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

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

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

332 (I) a voted local discretionary levy imposed under Section 53A-17a-133;

333 (II) a board local discretionary levy imposed under Section 53A-17a-164; and

334 (III) a capital discretionary levy imposed under Section 53A-16-113; and

335 (B) divide the sum calculated under Subsection (1)(b)(ii)(A) by the sum of:

336 (I) a school district's average daily membership; and

337 (II) the average daily membership of a school district's resident students who attend  
338 charter schools.

339 (c) "Resident student" means a student who is considered a resident of the school  
340 district under Title 53A, Chapter 2, Part 2, District of Residency.

341 (d) "Statewide average debt service revenues" means the amount determined as

342 follows, using data from the most recently published state superintendent's annual report:

343 (i) sum the revenues of each school district from the debt service levy imposed under  
344 Section 11-14-310; and

345 (ii) divide the sum calculated under Subsection (1)(d)(i) by statewide school district  
346 average daily membership.

347 (2) (a) Charter schools shall receive funding as described in this section, except  
348 Subsections (3) through (8) do not apply to charter schools described in Subsection (2)(b).

349 (b) Charter schools authorized by local school boards that are converted from district  
350 schools or operate in district facilities without paying reasonable rent shall receive funding as  
351 prescribed in Section 53A-1a-515.

352 (3) (a) Except as provided in Subsection (3)(b), a charter school shall receive state  
353 funds, as applicable, on the same basis as a school district receives funds.

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

356 (i) .55 for kindergarten pupils;

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

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

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

360 (4) (a) (i) A school district shall allocate a portion of school district revenues for each  
361 resident student of the school district who is enrolled in a charter school on October 1 equal to  
362 25% of the lesser of:

363 (A) district per pupil local revenues; or

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

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

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

370 (b) The State Board of Education shall:

371 (i) deduct an amount equal to the allocation provided under Subsection (4)(a) from

372 state funds the school district is authorized to receive under Title 53A, Chapter 17a, Minimum

373 School Program Act; and

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

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

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

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

382 (d) (i) Subject to future budget constraints, the Legislature shall provide an  
383 appropriation for charter schools for each student enrolled on October 1 to supplement the  
384 allocation of school district revenues under Subsection (4)(a).

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

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

389 (B) statewide average debt service revenues.

390 (iii) If the total of a school district's allocation for a charter school student under  
391 Subsection (4)(a) and the amount provided by the state under Subsection (4)(d)(ii) is less than  
392 \$1427, the state shall provide an additional supplement so that a charter school receives at least  
393 \$1427 per student under this Subsection (4).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

426 **53A-2-114. Additional levies -- School board options to abolish or continue after**  
427 **consolidation.**

428 (1) If a school district which has approved an additional levy under Section  
429 [~~53A-16-110, 53A-17a-133, 53A-17a-134, or 53A-17a-145~~] 53A-17a-133 is consolidated with  
430 a district which does not have such a levy, the board of education of the consolidated district  
431 may choose to abolish the levy, or apply it in whole or in part to the entire consolidated district.

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

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

436 **53A-2-115. Additional levies in transferred territory -- Transferee board option**  
437 **to abolish or continue.**

438 If two or more districts undergo restructuring that results in a district receiving territory  
439 that increases the population of the district by at least 25%, and if the transferred territory was,  
440 at the time of transfer, subject to an additional levy under Section [~~53A-16-110, 53A-17a-133,~~  
441 ~~53A-17a-134, or 53A-17a-145~~] 53A-17a-133, the board of education of the transferee district  
442 may abolish the levy or apply the levy in whole or in part to the entire restructured district.  
443 Any such levy made applicable to the entire district may continue in force for no more than five  
444 years, unless approved by the electors of the restructured district in the manner set forth in  
445 Section [~~53A-16-110~~] 53A-17a-133.

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

447 **53A-2-118.2. New school district property tax -- Limitations.**

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

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

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

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

459 (ii) impose a levy on the new school district as provided in Section [~~53A-16-110 or~~]  
460 53A-17a-133; or

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

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

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

467 **53A-2-118.3. Imposition of the capital discretionary levy in qualifying divided**  
468 **school districts.**

469 (1) For purposes of this section:

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

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

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

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

476 (2) Beginning with the qualifying taxable year, in order to qualify for receipt of the  
477 state contribution toward the minimum school program described in Section 53A-17a-104, a  
478 school district within a qualifying divided school district shall impose a capital [~~outlay~~]  
479 discretionary levy described in Section [~~53A-16-107~~] 53A-16-113 of at least .0006 per dollar of  
480 taxable value.

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

485 (a) 25% of the revenues shall be distributed in proportion to a school district's  
486 percentage of the total enrollment growth in all of the school districts within the qualifying  
487 divided school district that have an increase in enrollment, calculated on the basis of the  
488 average annual enrollment growth over the prior three years in all of the school districts within  
489 the qualifying divided school district that have an increase in enrollment over the prior three  
490 years, as of the October 1 enrollment counts; and

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

494 (4) If a new school district is created or school district boundaries are adjusted, the  
495 enrollment and average annual enrollment growth for each affected school district shall be  
496 calculated on the basis of enrollment in school district schools located within that school

497 district's newly created or adjusted boundaries, as of October 1 enrollment counts.

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

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

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

506 **53A-2-206. Interstate compact students -- Inclusion in attendance count --**  
507 **Funding for foreign exchange students -- Annual report -- Requirements for exchange**  
508 **student agencies.**

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

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

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

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

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

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

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

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

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

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

534 (B) 328 foreign exchange students.

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

539 (d) Notwithstanding [~~Sections~~] Section 53A-17a-133 [~~and 53A-17a-134~~] or  
540 53A-17a-164, weighted pupil units in the grades 1-12 basic program for foreign exchange  
541 students, as determined by Subsections (2)(b) and (c), may not be included for the purposes of  
542 determining a school district's state guarantee money under the voted or [~~board leeway~~  
543 ~~programs~~] board local discretionary levies.

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

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

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

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

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

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

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

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

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

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

568 (iii) that host parents have received training appropriate to their positions, including  
569 information about enhanced criminal penalties under Subsection 76-5-406(10) for persons who  
570 are in a position of special trust;

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

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

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

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

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

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

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

589 **53A-2-214. Online students' participation in extracurricular activities.**

590 (1) As used in this section:

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

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

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

596 (ii) generates funding for the school district or school pursuant to Subsection  
597 53A-17a-103[~~(5)~~](4) and rules of the State Board of Education.

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

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

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

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

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

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

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

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

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

616 (b) The rules shall provide that:

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

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

620 (iii) for each online school student who participates in an extracurricular activity at a

621 school district school, the online school shall pay a share of the school district's costs for the  
622 extracurricular activity; and

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

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

630 (7) When selection to participate in an extracurricular activity at a public school is  
631 made on a competitive basis, an online student is eligible to try out for and participate in the  
632 activity as provided in this section.

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

634 **53A-3-415. School board policy on detaining students after school.**

635 (1) Each local school board shall establish a policy on detaining students after regular  
636 school hours as a part of the districtwide discipline plan required under Section [~~53A-17a-135~~]  
637 53A-11-901.

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

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

644 Section 13. Section **53A-16-113** is enacted to read:

645 **53A-16-113. Capital discretionary levy -- First class county required levy.**

646 (1) As used in this section:

647 (a) "Capital aggregate tax rate" means a tax rate equal to the sum of the tax rates  
648 imposed by a school district from the following levies:

649 (i) Section 53A-16-107; and

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

652 (b) "Capital property tax revenue" means an amount equal to an amount equal to the  
653 sum of the following:

654 (i) the amount of revenue generated during the taxable year beginning on January 1,  
655 2010, from the sum of the following levies of a school district:

656 (A) Section 53A-16-107; and

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

659 (ii) an amount of revenue equal to the product of:

660 (A) new growth as defined in Subsection 59-2-924(4)(c); and

661 (B) Subsection (1)(b)(i).

662 (c) "Certified tax rate" means a school district's certified tax rate calculated in  
663 accordance with Section 59-2-924.

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

667 (b) A tax rate imposed by a school district pursuant to this section may not exceed  
668 .0030 per dollar of taxable value in any fiscal year.

669 (3) For fiscal year 2011-12, a school district is exempt from the public notice and  
670 hearing requirements of Section 59-2-919 for the school district's board local discretionary levy  
671 if the school district budgets an amount of ad valorem property tax revenue equal to or less  
672 than the school district's capital property tax revenue.

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

677 (5) (a) The county treasurer of a county of the first class shall distribute revenues  
678 generated by the .0006 portion of the capital discretionary levy required in Subsection (4) to  
679 school districts within the county in accordance with Section 53A-16-107.1.

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

683 discretionary levy which exceeds .0006 to the school district imposing the levy.

684 Section 14. Section **53A-16-114**, which is renumbered from Section 53A-16-107.1 is  
685 renumbered and amended to read:

686 ~~[53A-16-107.1].~~ 53A-16-114. **53A-16-107.1. School capital outlay in**  
687 **counties of the first class -- Allocation.**

688 (1) The county treasurer of a county of the first class shall distribute revenues  
689 generated by the .0006 portion of the capital ~~[outlay]~~ discretionary levy required in ~~[Subsection~~  
690 ~~53A-16-107(3)]~~ Section 53A-16-113 to school districts located within the county of the first  
691 class as follows:

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

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

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

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

707 (4) On or before March 31 of each year, a county treasurer in a county of the first class  
708 shall distribute the revenue generated within the county of the first class during the prior  
709 calendar year from the capital ~~[outlay]~~ discretionary levy described in Section ~~[53A-16-107]~~  
710 53A-16-113.

711 Section 15. Section **53A-17a-103** is amended to read:

712 **53A-17a-103. Definitions.**

713 As used in this chapter:

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

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

720 (i) the amount of ad valorem property tax revenue to be generated statewide in the  
721 previous year from imposing a minimum basic tax rate, as specified in Subsection  
722 53A-17a-135(1)~~[(a)]~~; and

723 (ii) the product of:

724 (A) new growth, as defined in:

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

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

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

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

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

733 (ii) semiconductor manufacturing equipment.

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

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

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

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

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

744 ~~[(4)]~~ (3) "Pupil in average daily membership (ADM)" means a full-day equivalent

745 pupil.

746 ~~[(5)]~~ (4) (a) "State-supported minimum school program" or "minimum school  
747 program" means public school programs for kindergarten, elementary, and secondary schools  
748 as described in this Subsection ~~[(5)]~~ (4).

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

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

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

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

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

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

760 ~~[(6)]~~ (5) "Weighted pupil unit or units or WPU or WPU's" means the unit of measure of  
761 factors that is computed in accordance with this chapter for the purpose of determining the  
762 costs of a program on a uniform basis for each district.

763 Section 16. Section **53A-17a-104** is amended to read:

764 **53A-17a-104. Amount of state's contribution toward minimum school program.**

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

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

771 (a) basic program - kindergarten, \$68,424,504 (26,552 WPUs);

772 (b) basic program - grades 1-12, \$1,291,316,661 (501,093 WPUs);

773 (c) basic program - professional staff, \$118,627,041 (46,033 WPUs);

774 (d) basic program - administrative costs, \$4,174,740 (1,620 WPUs);

775 (e) basic program - necessarily existent small schools and units for consolidated

776 schools, \$19,711,473 (7,649 WPU);  
777 (f) special education - regular program - add-on WPU for students with disabilities,  
778 \$160,029,123 (62,099 WPU);  
779 (g) preschool special education program, \$22,623,483 (8,779 WPU);  
780 (h) self-contained regular WPU, \$35,632,179 (13,827 WPU);  
781 (i) extended year program for severely disabled, \$992,145 (385 WPU);  
782 (j) special education programs in state institutions and district impact aid, \$4,398,939  
783 (1,707 WPU);  
784 (k) career and technical education district programs, \$68,656,434 (26,642 WPU),  
785 including \$1,174,084 for summer career and technical education agriculture programs;  
786 (l) class size reduction, \$90,537,741 (35,133 WPU);  
787 (m) Social Security and retirement programs, \$13,407,831;  
788 (n) pupil transportation to and from school, \$65,646,865, of which not less than  
789 \$2,584,435 shall be allocated to the Utah Schools for the Deaf and Blind to pay for  
790 transportation costs of the schools' students;  
791 (o) guarantee transportation levy, \$500,000;  
792 (p) Interventions for Student Success Block Grant Program, \$15,000,000;  
793 (q) highly impacted schools, \$4,610,907;  
794 (r) at-risk programs, \$28,270,141;  
795 (s) adult education, \$9,266,146;  
796 (t) accelerated learning programs, \$3,566,081;  
797 (u) concurrent enrollment, \$8,705,286;  
798 (v) High-ability Student Initiative Program, \$495,000;  
799 (w) English Language Learner Family Literacy Centers, \$1,800,000;  
800 (x) electronic high school, \$2,000,000;  
801 (y) School LAND Trust Program, \$20,000,000;  
802 (z) state supplement to local property taxes for charter schools, pursuant to Section  
803 53A-1a-513, \$45,288,446;  
804 (aa) charter school administrative costs, \$3,677,000;  
805 (bb) K-3 Reading Improvement Program, \$15,000,000;  
806 (cc) Public Education Job Enhancement Program, \$2,187,000;

- 807 (dd) educator salary adjustments, \$148,260,200;
- 808 (ee) Teacher Salary Supplement Restricted Account, \$3,700,000;
- 809 (ff) library books and electronic resources, \$500,000;
- 810 (gg) school nurses, \$900,000;
- 811 (hh) critical languages, \$230,000;
- 812 (ii) extended year for special educators, \$2,610,000;
- 813 (jj) USTAR Centers, \$6,210,000;
- 814 (kk) state-supported [~~voted leeway~~] voted local discretionary levy guarantee,
- 815 \$278,396,150;
- 816 (ll) state-supported board [~~leeway~~] local discretionary levy guarantee, \$73,324,640; and
- 817 (mm) state-supported board leeway for K-3 Reading Improvement Program,
- 818 \$15,000,000.

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

820 **53A-17a-105. Action required for underestimated or overestimated weighted**  
 821 **pupil units -- Action required for underestimating or overestimating local contributions.**

822 (1) If the number of weighted pupil units in a program is underestimated in Section  
 823 53A-17a-104, the amount per pupil in that program paid under this chapter must be reduced so  
 824 that the amount paid does not exceed the estimated amount by program.

825 (2) If the number of weighted pupil units in a program is overestimated in Section  
 826 53A-17a-104, the state superintendent of public instruction shall either increase the amount  
 827 paid in that program per weighted pupil unit or transfer the unused amount in that program to  
 828 another program included in the minimum school program.

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

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

834 (4) The limitation on the proceeds from local tax rates for [~~operation and maintenance~~]  
 835 programs under this chapter is subject to modification by local school boards under Sections  
 836 53A-17a-133 and [~~53A-17a-134~~] 53A-17a-164 and to special tax rates authorized by this  
 837 chapter, and shall be adjusted accordingly.

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

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

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

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

857 Section 18. Section **53A-17a-127** is amended to read:

858 **53A-17a-127. Eligibility for state-supported transportation -- Approved bus**  
859 **routes.**

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

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

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

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

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

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

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

879 (b) The State Board of Education shall distribute appropriated transportation funds  
880 based on the prior year's eligible transportation costs as legally reported under Subsection  
881 53A-17a-126(3).

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

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

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

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

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

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

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

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

900 the]

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

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

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

911 (d) (i) The amount of state guarantee money which a school district would otherwise be  
 912 entitled to receive under Subsection (6)~~(c)~~(b)(i) may not be reduced for the sole reason that  
 913 the district's levy is reduced as a consequence of changes in the certified tax rate under Section  
 914 59-2-924 due to changes in property valuation.

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

917 Section 19. Section **53A-17a-133** is amended to read:

918 **53A-17a-133. Voted local discretionary levy -- Election requirements -- State**  
 919 **guarantee -- Reconsideration of levy authorization.**

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

924 (2) (a) (i) To [~~establish a voted leeway program~~] impose a voted local discretionary  
 925 levy, a majority of the electors of a district voting at an election in the manner set forth in  
 926 [~~Section 53A-16-110~~] Subsections (8) and (9) must vote in favor of a special tax.

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

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

930 [~~(c) In~~] (b) Except as provided in Subsection (2)(c), in order to receive state support

931 the first year, a district must receive voter approval no later than December 1 of the year prior  
932 to implementation.

933 (c) Notwithstanding the requirements of Subsections (3)(a) and (b), beginning on or  
934 after January 1, 2011, a school district may levy a tax rate in accordance with this section  
935 without complying with Subsections (3)(a) and (b) if the school district imposed a tax in  
936 accordance with this section during the taxable year beginning on January 1, 2010 and ending  
937 on December 31, 2010.

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

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

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

950 (ii) The guarantee shall increase by .0005 times the value of the prior year's weighted  
951 pupil unit for each succeeding year until the guarantee is equal to .010544 times the value of  
952 the prior year's weighted pupil unit.

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

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

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

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

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

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

971 (5) Notwithstanding Section 59-2-919, a school district may budget an increased  
972 amount of ad valorem property tax revenue derived from a voted ~~[leeway]~~ local discretionary  
973 levy imposed under this section in addition to revenue from new growth as defined in  
974 Subsection 59-2-924(4), without having to comply with the notice requirements of Section  
975 59-2-919, if:

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

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

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

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

985 (6) Notwithstanding Section 59-2-919, a school district may levy a tax rate under this  
986 section that exceeds the certified tax rate without having to comply with the notice  
987 requirements of Section 59-2-919 if:

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

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

992 (i) in accordance with ~~[Section 53A-16-110]~~ Subsections (8) and (9) on or after

993 January 1, 2003; and

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

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

1000 (7) For purposes of Subsection (5)(b) or (6)(c), the proposition submitted to the  
1001 electors regarding the adoption or modification of a voted leeway program shall contain the  
1002 following statement:

1003 "A vote in favor of this tax means that (name of the school district) may increase  
1004 revenue from this property tax without advertising the increase for the next five years."

1005 (8) (a) Before imposing a property tax levy pursuant to this section, a school district  
1006 shall submit an opinion question to the school district's registered voters voting on the  
1007 imposition of the tax rate so that each registered voter has the opportunity to express the  
1008 registered voter's opinion on whether the tax rate should be imposed.

1009 (b) The election required by this Subsection (8) shall be held:

1010 (i) at a regular general election conducted in accordance with the procedures and  
1011 requirements of Title 20A, Election Code, governing regular elections;

1012 (ii) at a municipal general election conducted in accordance with the procedures and  
1013 requirements of Section 20A-1-202; or

1014 (iii) at a local special election conducted in accordance with the procedures and  
1015 requirements of Section 20A-1-203.

1016 (c) Notwithstanding the requirements of Subsections (8)(a) and (b), beginning on or  
1017 after January 1, 2011, a school district may levy a tax rate in accordance with this section  
1018 without complying with the requirements of Subsections (8)(a) and (b) if the school district  
1019 imposed a tax in accordance with this section at any time during the taxable year beginning on  
1020 January 1, 2010 and ending on December 31, 2010.

1021 (9) If a school district determines that a majority of the school district's registered  
1022 voters voting on the imposition of the tax rate have voted in favor of the imposition of the tax  
1023 rate in accordance with Subsection (8), the school district may impose the tax rate.

1024 Section 20. Section **53A-17a-135** is amended to read:

1025 **53A-17a-135. Minimum basic tax rate.**

1026 (1) (a) ~~[In order]~~ Except as provided in Subsection (1)(b), to qualify for receipt of the  
1027 state contribution toward the basic program and as its contribution toward its costs of the basic  
1028 program, each school district shall impose a minimum basic tax rate per dollar of taxable value  
1029 that generates ~~[\$273,950,764 in revenues]~~ statewide an amount of revenue equal to the revenue  
1030 generated by the certified revenue levy for the calendar year beginning on January 1, 2011.

1031 ~~[(b) The preliminary estimate for the 2009-10 minimum basic tax rate is .001303.]~~

1032 ~~[(c) The State Tax Commission shall certify on or before June 22 the rate that~~  
1033 ~~generates \$273,950,764 in revenues statewide.]~~

1034 ~~[(d) If the minimum basic tax rate exceeds the certified revenue levy as defined in~~  
1035 ~~Section 53A-17a-103, the state is subject to the notice requirements of Section 59-2-926.]~~

1036 (b) For a calendar year beginning on or after January 1, 2012, the minimum basic tax  
1037 rate per dollar of taxable value shall be the greater of:

1038 (i) the tax rate described in Subsection (1)(a); or

1039 (ii) the certified revenue levy for that calendar year as defined in Section 53A-17a-103.

1040 (2) (a) The state shall contribute to each district toward the cost of the basic program in  
1041 the district that portion which exceeds the proceeds of the levy authorized under Subsection  
1042 (1).

1043 (b) In accord with the state strategic plan for public education and to fulfill its  
1044 responsibility for the development and implementation of that plan, the Legislature instructs  
1045 the State Board of Education, the governor, and the Office of Legislative Fiscal Analyst in each  
1046 of the coming five years to develop budgets that will fully fund student enrollment growth.

1047 (3) (a) If the proceeds of the levy authorized under Subsection (1) equal or exceed the  
1048 cost of the basic program in a school district, no state contribution shall be made to the basic  
1049 program.

1050 (b) The proceeds of the levy authorized under Subsection (1) which exceed the cost of  
1051 the basic program shall be paid into the Uniform School Fund as provided by law.

1052 Section 21. Section **53A-17a-136** is amended to read:

1053 **53A-17a-136. Cost of operation and maintenance of minimum school program --**  
1054 **Division between state and school districts.**

1055 (1) The total cost of operation and maintenance of the minimum school program in the  
1056 state is divided between the state and school districts as follows:

1057 (a) Each school district shall impose a minimum basic tax rate on all taxable, tangible  
1058 property in the school district and shall contribute the tax proceeds toward the cost of the basic  
1059 program as provided in this chapter.

1060 (b) Each school district may also impose a board or voted local discretionary levy [~~for~~  
1061 ~~the purpose of participating in the leeway programs~~] as provided in this chapter.

1062 (c) The state shall contribute the balance of the total costs.

1063 (2) The contributions by the school districts and by the state are computed separately  
1064 for the purpose of determining:

1065 (a) their respective contributions to the basic program; and [~~to the leeway programs~~  
1066 ~~provided in this chapter.~~]

1067 (b) the amount of state guarantee a school district is entitled to from:

1068 (i) a voted local discretionary levy guarantee described in Subsection 53A-17a-133(3);

1069 or

1070 (ii) a board local discretionary levy guarantee described in Subsection 53A-17a-164(3).

1071 Section 22. Section **53A-17a-143** is amended to read:

1072 **53A-17a-143. Federal Impact Aid Program -- Offset for underestimated**  
1073 **allocations from the Federal Impact Aid Program.**

1074 (1) In addition to the revenues received from the levy imposed by each school district  
1075 and authorized by the Legislature under Section 53A-17a-135, [~~a local school board may~~  
1076 ~~increase its tax rate to~~] the Legislature shall provide an amount equal to the difference between  
1077 the district's anticipated receipts under the entitlement for the fiscal year from [~~Public Law~~  
1078 ~~81-874~~] the Federal Impact Aid Program and the amount the district actually received from this  
1079 source for the next preceding fiscal year.

1080 [~~(2) The tax rate for this purpose may not exceed .0008 per dollar of taxable value in~~  
1081 ~~any fiscal year.~~]

1082 [~~(3) This authorization terminates for each district at the end of the third year it is~~  
1083 ~~used.~~]

1084 [~~(4)~~] (2) If at the end of a fiscal year the sum of the receipts of a school district from  
1085 [~~this special tax rate plus allocation from Public Law 81-874~~] a distribution from the

1086 Legislature pursuant to Subsection (1) plus the school district's allocations from the Federal  
 1087 Impact Aid Program for that fiscal year exceeds the amount allocated to the district from  
 1088 [~~Public Law 81-874~~] the Federal Impact Aid Program for the next preceding fiscal year, the  
 1089 excess funds are carried into the next succeeding fiscal year and become in that year a part of  
 1090 the district's contribution to its basic program for operation and maintenance under the state  
 1091 minimum school finance law.

1092 ~~[(5)]~~ (3) During that year the district's required tax rate for the basic program shall be  
 1093 reduced so that the yield from the reduced tax rate plus the carryover funds equal the district's  
 1094 required contribution to its basic program.

1095 ~~[(6)]~~ (4) A district that reduces its basic tax rate under this section shall receive state  
 1096 minimum school program funds as though the reduction in the tax rate had not been made.

1097 Section 23. Section **53A-17a-146** is amended to read:

1098 **53A-17a-146. Reduction of district allocation based on insufficient revenues.**

1099 (1) (a) As used in this section, "Minimum School Program funds" means the total of  
 1100 state and local funds appropriated under Section 53A-17a-104, excluding:

- 1101 (i) the state-supported ~~[voter leeway]~~ voted local discretionary levy guarantee;
- 1102 (ii) the state-supported board ~~[leeway]~~ local discretionary levy guarantee; and
- 1103 (iii) the appropriation to charter schools to replace local property tax revenues.

1104 (b) The State Board of Education, after consultation with each school district and  
 1105 charter school, shall allocate the ongoing locally determined reduction provided in Section  
 1106 53A-17a-104 for fiscal year 2008-09 among school districts and charter schools in proportion  
 1107 to each school district's or charter school's percentage share of Minimum School Program  
 1108 funds.

1109 (2) Each district and charter school shall determine which programs are affected by,  
 1110 and the amount of, the reductions, except as provided in Subsection (4).

1111 (3) The requirement to spend a specified amount in any particular program is waived if  
 1112 reductions are required under this section, except as provided in Subsection (4).

1113 (4) A school district or charter school may not reduce or reallocate spending of funds  
 1114 distributed to the school district or charter school for the following programs:

- 1115 (a) educator salary adjustments provided in Section 53A-17a-153;
- 1116 (b) the Teacher Salary Supplement Program provided in Section 53A-17a-156;

- 1117 (c) the extended year for special educators provided in Section 53A-17a-158; and  
1118 (d) USTAR centers provided in Section 53A-17a-159.  
1119 Section 24. Section **53A-17a-150** is amended to read:  
1120 **53A-17a-150. K-3 Reading Improvement Program.**  
1121 (1) As used in this section:  
1122 (a) "Program" means the K-3 Reading Improvement Program~~[, and]~~.  
1123 (b) "Program monies" means:  
1124 ~~[(i) school district revenue from the levy authorized under Section 53A-17a-151;]~~  
1125 ~~[(ii)]~~ (i) school district revenue allocated to the program from ~~[other]~~ monies available  
1126 to the school district, except monies provided by the state, for the purpose of receiving state  
1127 funds under this section; and  
1128 ~~[(iii)]~~ (ii) monies appropriated by the Legislature to the program.  
1129 (2) The K-3 Reading Improvement Program consists of program monies and is created  
1130 to achieve the state's goal of having third graders reading at or above grade level.  
1131 (3) Subject to future budget constraints, the Legislature may annually appropriate  
1132 money to the K-3 Reading Improvement Program.  
1133 (4) (a) Prior to using program monies, a school district or charter school shall submit a  
1134 plan to the State Board of Education for reading proficiency improvement that incorporates the  
1135 following components:  
1136 (i) assessment;  
1137 (ii) intervention strategies;  
1138 (iii) professional development;  
1139 (iv) reading performance standards; and  
1140 (v) specific measurable goals that are based upon gain scores.  
1141 (b) The State Board of Education shall provide model plans which a school district or  
1142 charter school may use, or the district or school may develop its own plan.  
1143 (c) Plans developed by a school district or charter school shall be approved by the State  
1144 Board of Education.  
1145 (5) There is created within the K-3 Reading Achievement Program three funding  
1146 programs:  
1147 (a) the Base Level Program;

1148 (b) the Guarantee Program; and

1149 (c) the Low Income Students Program.

1150 (6) Monies appropriated to the State Board of Education for the K-3 Reading

1151 Improvement Program shall be allocated to the three funding programs as follows:

1152 (a) 8% to the Base Level Program;

1153 (b) 46% to the Guarantee Program; and

1154 (c) 46% to the Low Income Students Program.

1155 (7) (a) To participate in the Base Level Program, a school district or charter school

1156 shall submit a reading proficiency improvement plan to the State Board of Education as

1157 provided in Subsection (4) and must receive approval of the plan from the board.

1158 (b) (i) Each school district qualifying for Base Level Program funds and the qualifying

1159 elementary charter schools combined shall receive a base amount.

1160 (ii) The base amount for the qualifying elementary charter schools combined shall be

1161 allocated among each school in an amount proportionate to:

1162 (A) each existing charter school's prior year fall enrollment in grades kindergarten

1163 through grade 3; and

1164 (B) each new charter school's estimated fall enrollment in grades kindergarten through

1165 grade 3.

1166 (8) (a) A school district that applies for program monies in excess of the Base Level

1167 Program funds shall choose to first participate in either the Guarantee Program or the Low

1168 Income Students Program.

1169 (b) A school district must fully participate in either the Guarantee Program or the Low

1170 Income Students Program before it may elect to either fully or partially participate in the other

1171 program.

1172 (c) To fully participate in the Guarantee Program, a school district shall~~[(i) levy a tax~~

1173 ~~rate of .000056 under Section 53A-17a-151;(ii)]~~ allocate to the program [other] monies

1174 available to the school district, except monies provided by the state, equal to the amount of

1175 revenue that would be generated by a tax rate of .000056~~[-or].~~

1176 ~~[(iii) levy a tax under Section 53A-17a-151 and allocate to the program other monies~~

1177 ~~available to the school district, except monies provided by the state, so that the total revenue~~

1178 ~~from the combined revenue sources equals the amount of revenue that would be generated by a~~

1179 ~~tax rate of .000056.]~~

1180 (d) To fully participate in the Low Income Students Program, a school district shall[:

1181 ~~(i) levy a tax rate of .000065 under Section 53A-17a-151; (ii)] allocate to the program [other]~~

1182 monies available to the school district, except monies provided by the state, equal to the

1183 amount of revenue that would be generated by a tax rate of .000065[~~;~~or].

1184 ~~[(iii) levy a tax under Section 53A-17a-151 and allocate to the program other monies~~

1185 ~~available to the school district, except monies provided by the state, so that the total revenue~~

1186 ~~from the combined revenue sources equals the amount of revenue that would be generated by a~~

1187 ~~tax rate of .000065.]~~

1188 (e) (i) The State Board of Education shall verify that a school district allocates the

1189 monies required in accordance with Subsections (8)(c) and (d) before it distributes funds in

1190 accordance with this section.

1191 (ii) The State Tax Commission shall provide the State Board of Education the

1192 information the State Board of Education needs to comply with Subsection (8)(e)(i).

1193 (9) (a) A school district that fully participates in the Guarantee Program shall receive

1194 state funds in an amount that is:

1195 (i) equal to the difference between \$21 times the district's total WPUs and the revenue

1196 the school district is required to generate or allocate under Subsection (8)(c) to fully participate

1197 in the Guarantee Program; and

1198 (ii) not less than \$0.

1199 (b) An elementary charter school shall receive under the Guarantee Program an amount

1200 equal to \$21 times the school's total WPUs.

1201 (10) The State Board of Education shall distribute Low Income Students Program

1202 funds in an amount proportionate to the number of students in each school district or charter

1203 school who qualify for free or reduced price school lunch multiplied by two.

1204 (11) A school district that partially participates in the Guarantee Program or Low

1205 Income Students Program shall receive program funds based on the amount of district revenue

1206 generated for or allocated to the program as a percentage of the amount of revenue that could

1207 have been generated or allocated if the district had fully participated in the program.

1208 (12) (a) Each school district and charter school shall use program monies for reading

1209 proficiency improvement in grades kindergarten through grade three.

1210 (b) Program monies may not be used to supplant funds for existing programs, but may  
1211 be used to augment existing programs.

1212 (13) (a) Each school district and charter school shall annually submit a report to the  
1213 State Board of Education accounting for the expenditure of program monies in accordance with  
1214 its plan for reading proficiency improvement.

1215 (b) If a school district or charter school uses program monies in a manner that is  
1216 inconsistent with Subsection (12), the school district or charter school is liable for reimbursing  
1217 the State Board of Education for the amount of program monies improperly used, up to the  
1218 amount of program monies received from the State Board of Education.

1219 (14) (a) The State Board of Education shall make rules to implement the program.

1220 (b) (i) The rules under Subsection (14)(a) shall require each school district or charter  
1221 school to annually report progress in meeting goals stated in the district's or charter school's  
1222 plan for student reading proficiency as measured by gain scores.

1223 (ii) If a school district or charter school does not meet or exceed the goals, the school  
1224 district or charter school shall prepare a new plan which corrects deficiencies. The new plan  
1225 must be approved by the State Board of Education before the school district or charter school  
1226 receives an allocation for the next year.

1227 ~~[(15) If after 36 months of program operation, a school district fails to meet goals~~  
1228 ~~stated in the district's plan for student reading proficiency as measured by gain scores, the~~  
1229 ~~school district shall terminate any levy imposed under Section 53A-17a-151.]~~

1230 Section 25. Section **53A-17a-164** is enacted to read:

1231 **53A-17a-164. Board local discretionary levy -- State guarantee.**

1232 (1) As used in this section:

1233 (a) "Basic levy increment" means an amount equal to the difference of:

1234 (i) an amount equal to the difference of:

1235 (A) the amount of revenue that would be generated within a school district by the  
1236 imposition of the certified revenue levy described in Section 53A-17a-103 for the current  
1237 calendar year; and

1238 (B) the estimated amount of revenue to be generated within the school district by the  
1239 imposition of the minimum basic tax rate levied in accordance with Section 53A-17a-135  
1240 during the current calendar year; and

1241 (ii) the school district's estimated WPU distribution from the basic levy increase  
1242 described in Subsection (1)(i) during the current taxable year.

1243 (b) "Board local discretionary levy" means, for the taxable year beginning on January  
1244 1, 2011, a tax rate equal to the sum of the tax rates imposed by a school district from the  
1245 following levies:

1246 (i) Section 11-2-7;

1247 (ii) Section 53A-17a-127;

1248 (iii) Section 53A-17a-134;

1249 (iv) Section 53A-17a-143;

1250 (v) the portion of the 10% of basic levy described in Section 53A-17a-145 that is  
1251 budgeted for textbooks, supplies, maintenance, and operations;

1252 (vi) Section 53A-17a-151; and

1253 (vii) Section 63G-7-704.

1254 (c) "Board property tax revenue" means an amount equal to the difference of the  
1255 following:

1256 (i) an amount of revenue equal to the sum of:

1257 (A) the amount of revenue generated during the taxable year beginning on January 1,  
1258 2010, from the sum of the following levies of a school district:

1259 (I) Section 11-2-7;

1260 (II) Section 53A-17a-127;

1261 (III) Section 53A-17a-134;

1262 (IV) Section 53A-17a-143;

1263 (V) the portion of the 10% of basic levy described in Section 53A-17a-145 that is  
1264 budgeted for textbooks, supplies, maintenance, and operations;

1265 (VI) Section 53A-17a-151; and

1266 (VII) Section 63G-7-704; and

1267 (B) an amount of revenue equal to the product of:

1268 (I) new growth as defined in Subsection 59-2-924(4)(c); and

1269 (II) Subsection (1)(c)(i)(A); minus

1270 (ii) the school district's estimated WPU distribution from the basic levy increase  
1271 described in Subsection (1)(i) during the current calendar year.

1272 (d) "Certified tax rate" means a school district's certified tax rate calculated in  
1273 accordance with Section 59-2-924.

1274 (e) "Contributing school district" means a school district that in a fiscal year receives  
1275 less revenue from its WPU distribution from the basic levy increase than the amount of revenue  
1276 generated within its school district during the same fiscal year from the imposition of the  
1277 minimum basic levy rate increase.

1278 (f) "Increased revenue generated statewide from the minimum basic levy" means an  
1279 amount equal to the difference of:

1280 (i) the estimated amount of revenue generated statewide by the imposition of the  
1281 minimum basic tax rate levied in accordance with Section 53A-17a-135 during the current  
1282 calendar year; and

1283 (ii) the amount of revenue that would be generated statewide by the imposition of the  
1284 certified revenue levy during the current calendar year.

1285 (g) "Minimum basic levy rate increase" means the rate equal to the difference of:

1286 (i) the minimum basic tax rate levied during the current year; and

1287 (ii) the certified revenue levy tax rate for the current year.

1288 (h) "Receiving school district" means a school district that in a fiscal year receives  
1289 more revenue from its WPU distribution from the basic levy increase than the amount of  
1290 revenue generated within its school district during the same fiscal year from the imposition of  
1291 the minimum basic levy rate increase.

1292 (i) "WPU distribution from the basic levy increase" means the revenue distributed to a  
1293 school district from the minimum school program under Title 53A, Chapter 17a, Part 1,  
1294 Minimum School Program, as a result of the increased revenue generated statewide from the  
1295 minimum basic levy rate increase.

1296 (2) (a) Subject to the other requirements of this section, for a taxable year beginning on  
1297 or after January 1, 2011, a local school board may levy a tax to fund the school district's  
1298 general fund.

1299 (b) A tax rate imposed by a school district pursuant to this section may not exceed  
1300 .0012 per dollar of taxable value in any fiscal year.

1301 (3) (a) In addition to the revenue a school district collects from the imposition of a levy  
1302 pursuant to this section, the state shall contribute an amount sufficient to guarantee \$25.25 per

1303 weighted pupil unit for each .0001 of the first .0004 per dollar of taxable value.

1304 (b) (i) Beginning July 1, 2009, the \$25.25 guarantee under Subsection (3)(a) shall be  
1305 indexed each year to the value of the weighted pupil unit by making the value of the guarantee  
1306 equal to .009798 times the value of the prior year's weighted pupil unit.

1307 (ii) The guarantee shall increase by .0005 times the value of the prior year's weighted  
1308 pupil unit for each succeeding year until the guarantee is equal to .010544 times the value of  
1309 the prior year's weighted pupil unit.

1310 (c) (i) The amount of state guarantee money to which a school district would otherwise  
1311 be entitled to under this Subsection (3) may not be reduced for the sole reason that the district's  
1312 levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924  
1313 pursuant to changes in property valuation.

1314 (ii) Subsection (3)(c)(i) applies for a period of five years following any such change in  
1315 the certified tax rate.

1316 (4) For fiscal year 2011-12, a school district is exempt from the public notice and  
1317 hearing requirements of Section 59-2-919 for the school district's board local discretionary levy  
1318 if the school district budgets an amount of ad valorem property tax revenue equal to or less  
1319 than the school district's board property tax revenue.

1320 (5) (a) For a fiscal year beginning on or after fiscal year 2012-13, a receiving school  
1321 district is exempt from the public notice and hearing requirements of Section 59-2-919 for the  
1322 receiving school district's board local discretionary levy if the receiving school district budgets  
1323 an amount of ad valorem property tax revenue equal to or less than the receiving school  
1324 district's board property tax revenue.

1325 (b) For a fiscal year beginning on or after fiscal year 2012-13, a contributing school  
1326 district is exempt from the public notice and hearing requirements of Section 59-2-919 for the  
1327 contributing school district's board local discretionary levy if the contributing school district  
1328 budgets an amount of ad valorem property tax revenue equal to or less than:

1329 (i) the school district's board property tax revenue; minus

1330 (ii) the school district's basic levy increment.

1331 Section 26. Section **53A-21-101.5** is amended to read:

1332 **53A-21-101.5. Definitions.**

1333 As used in this chapter:

- 1334 (1) "ADM" or "pupil in average daily membership" is as defined in Section  
 1335 53A-17a-103.
- 1336 (2) "Combined capital levy rate" means a rate that includes the sum of the following  
 1337 property tax levies:
- 1338 (a) the capital [~~outlay~~] discretionary levy authorized in Section [~~53A-16-107;~~]  
 1339 53A-16-113; and
- 1340 [~~(b) the portion of the 10% of basic levy described in Section 53A-17a-145 that is~~  
 1341 ~~budgeted for debt service or capital outlay;~~]
- 1342 [~~(c)~~] (b) the debt service levy authorized in Section 11-14-310[~~;~~and].
- 1343 [~~(d) the voted capital outlay leeway authorized in Section 53A-16-110;~~]
- 1344 (3) "Derived net taxable value" means the quotient of:
- 1345 (a) the total current property tax collections from April 1 through the following March  
 1346 31 for a school district; divided by
- 1347 (b) the school district's total tax rate for the calendar year preceding the March 31  
 1348 referenced in Subsection (3)(a).
- 1349 (4) "Highest combined capital levy rate" means the highest combined capital levy rate  
 1350 imposed by any school district within the state for a fiscal year.
- 1351 (5) "Property tax base per ADM" means the quotient of:
- 1352 (a) a school district's derived net taxable value; divided by  
 1353 (b) the school district's ADM for the same year.
- 1354 (6) "Property tax yield per ADM" means:
- 1355 (a) the product of:
- 1356 (i) a school district's derived net taxable value; and  
 1357 (ii) the highest combined capital levy rate for the fiscal year of the March 31 referenced  
 1358 in Subsection (3)(a); divided by
- 1359 (b) the school district's ADM for the same fiscal year.
- 1360 (7) "Statewide average property tax base per ADM" means the quotient of:
- 1361 (a) the sum of all school districts' derived net taxable value; divided by  
 1362 (b) the sum of all school districts' ADM statewide for the same year.
- 1363 Section 27. Section **59-2-904** is amended to read:
- 1364 **59-2-904. Participation by district in state's contributions to state-supported**

1365 **guarantees.**

1366 In addition to the basic state contribution provided in Section 59-2-902, each school  
 1367 district may participate in the state's contributions to the state-supported [~~leeway program~~  
 1368 board and voted local discretionary levy guarantees] by conforming to the requirements of the  
 1369 Minimum School Program Act and by making the required additional levy. Each district shall  
 1370 participate in the state-supported [~~leeway program~~] board and voted local discretionary levy  
 1371 guarantees, and certify to the State Board of Education the results of its determination and the  
 1372 amount of [~~additional levy~~] the board and voted local discretionary levies which the district  
 1373 will impose.

1374 Section 28. Section **59-2-924 (Effective 01/01/10)** is amended to read:

1375 **59-2-924 (Effective 01/01/10). Report of valuation of property to county auditor**  
 1376 **and commission -- Transmittal by auditor to governing bodies -- Certified tax rate --**  
 1377 **Calculation of certified tax rate -- Rulemaking authority -- Adoption of tentative budget.**

1378 (1) Before June 1 of each year, the county assessor of each county shall deliver to the  
 1379 county auditor and the commission the following statements:

1380 (a) a statement containing the aggregate valuation of all taxable real property assessed  
 1381 by a county assessor in accordance with Part 3, County Assessment, for each taxing entity; and

1382 (b) a statement containing the taxable value of all personal property assessed by a  
 1383 county assessor in accordance with Part 3, County Assessment, from the prior year end values.

1384 (2) The county auditor shall, on or before June 8, transmit to the governing body of  
 1385 each taxing entity:

1386 (a) the statements described in Subsections (1)(a) and (b);

1387 (b) an estimate of the revenue from personal property;

1388 (c) the certified tax rate; and

1389 (d) all forms necessary to submit a tax levy request.

1390 (3) (a) The "certified tax rate" means a tax rate that will provide the same ad valorem  
 1391 property tax revenues for a taxing entity as were budgeted by that taxing entity for the prior  
 1392 year.

1393 (b) For purposes of this Subsection (3):

1394 (i) "Ad valorem property tax revenues" do not include:

1395 (A) interest;

- 1396 (B) penalties; and
- 1397 (C) revenue received by a taxing entity from personal property that is:
- 1398 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and
- 1399 (II) semiconductor manufacturing equipment.
- 1400 (ii) "Aggregate taxable value of all property taxed" means:
- 1401 (A) the aggregate taxable value of all real property assessed by a county assessor in
- 1402 accordance with Part 3, County Assessment, for the current year;
- 1403 (B) the aggregate taxable year end value of all personal property assessed by a county
- 1404 assessor in accordance with Part 3, County Assessment, for the prior year; and
- 1405 (C) the aggregate taxable value of all real and personal property assessed by the
- 1406 commission in accordance with Part 2, Assessment of Property, for the current year.
- 1407 (c) (i) Except as otherwise provided in this section, the certified tax rate shall be
- 1408 calculated by dividing the ad valorem property tax revenues budgeted for the prior year by the
- 1409 taxing entity by the amount calculated under Subsection (3)(c)(ii).
- 1410 (ii) For purposes of Subsection (3)(c)(i), the legislative body of a taxing entity shall
- 1411 calculate an amount as follows:
- 1412 (A) calculate for the taxing entity the difference between:
- 1413 (I) the aggregate taxable value of all property taxed; and
- 1414 (II) any redevelopment adjustments for the current calendar year;
- 1415 (B) after making the calculation required by Subsection (3)(c)(ii)(A), calculate an
- 1416 amount determined by increasing or decreasing the amount calculated under Subsection
- 1417 (3)(c)(ii)(A) by the average of the percentage net change in the value of taxable property for the
- 1418 equalization period for the three calendar years immediately preceding the current calendar
- 1419 year;
- 1420 (C) after making the calculation required by Subsection (3)(c)(ii)(B), calculate the
- 1421 product of:
- 1422 (I) the amount calculated under Subsection (3)(c)(ii)(B); and
- 1423 (II) the percentage of property taxes collected for the five calendar years immediately
- 1424 preceding the current calendar year; and
- 1425 (D) after making the calculation required by Subsection (3)(c)(ii)(C), calculate an
- 1426 amount determined by subtracting from the amount calculated under Subsection (3)(c)(ii)(C)

1427 any new growth as defined in this section:

1428 (I) within the taxing entity; and

1429 (II) for the following calendar year:

1430 (Aa) for new growth from real property assessed by a county assessor in accordance  
1431 with Part 3, County Assessment and all property assessed by the commission in accordance  
1432 with Section 59-2-201, the current calendar year; and

1433 (Bb) for new growth from personal property assessed by a county assessor in  
1434 accordance with Part 3, County Assessment, the prior calendar year.

1435 (iii) For purposes of Subsection (3)(c)(ii)(A), the aggregate taxable value of all  
1436 property taxed:

1437 (A) except as provided in Subsection (3)(c)(iii)(B) or (3)(c)(ii)(C), is as defined in  
1438 Subsection (3)(b)(ii);

1439 (B) does not include the total taxable value of personal property contained on the tax  
1440 rolls of the taxing entity that is:

1441 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and

1442 (II) semiconductor manufacturing equipment; and

1443 (C) for personal property assessed by a county assessor in accordance with Part 3,  
1444 County Assessment, the taxable value of personal property is the year end value of the personal  
1445 property contained on the prior year's tax rolls of the entity.

1446 (iv) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after  
1447 January 1, 2007, the value of taxable property does not include the value of personal property  
1448 that is:

1449 (A) within the taxing entity assessed by a county assessor in accordance with Part 3,  
1450 County Assessment; and

1451 (B) semiconductor manufacturing equipment.

1452 (v) For purposes of Subsection (3)(c)(ii)(C)(II), for calendar years beginning on or after  
1453 January 1, 2007, the percentage of property taxes collected does not include property taxes  
1454 collected from personal property that is:

1455 (A) within the taxing entity assessed by a county assessor in accordance with Part 3,  
1456 County Assessment; and

1457 (B) semiconductor manufacturing equipment.

1458 (vi) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after  
1459 January 1, 2009, the value of taxable property does not include the value of personal property  
1460 that is within the taxing entity assessed by a county assessor in accordance with Part 3, County  
1461 Assessment.

1462 (vii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
1463 the commission may prescribe rules for calculating redevelopment adjustments for a calendar  
1464 year.

1465 (viii) (A) For purposes of Subsection (3)(c)(i), for a calendar year beginning on or after  
1466 January 1, 2010, a taxing entity's ad valorem property tax revenues budgeted for the prior year  
1467 shall be decreased by an amount of revenue equal to the five-year average of the most recent  
1468 prior five years of redemptions as reported on the county treasurer's final annual settlement  
1469 required under Subsection 59-2-1365(2).

1470 (B) For the calendar year beginning on January 1, 2010 and ending on December 31,  
1471 2010, a taxing entity is exempt from the notice and public hearing provisions of Section  
1472 59-2-919 if the taxing entity budgets an increased amount of ad valorem property tax revenue  
1473 equal to or less than the taxing entity's five-year average of the most recent prior five years of  
1474 redemptions as reported on the county treasurer's final annual settlement required under  
1475 Subsection 59-2-1365(2).

1476 (d) (i) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
1477 the commission shall make rules determining the calculation of ad valorem property tax  
1478 revenues budgeted by a taxing entity.

1479 (ii) For purposes of Subsection (3)(d)(i), ad valorem property tax revenues budgeted by  
1480 a taxing entity shall be calculated in the same manner as budgeted property tax revenues are  
1481 calculated for purposes of Section 59-2-913.

1482 (e) The certified tax rates for the taxing entities described in this Subsection (3)(e) shall  
1483 be calculated as follows:

1484 (i) except as provided in Subsection (3)(e)(ii), for new taxing entities the certified tax  
1485 rate is zero;

1486 (ii) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

1487 (A) in a county of the first, second, or third class, the levy imposed for municipal-type  
1488 services under Sections 17-34-1 and 17-36-9; and

1489 (B) in a county of the fourth, fifth, or sixth class, the levy imposed for general county  
1490 purposes and such other levies imposed solely for the municipal-type services identified in  
1491 Section 17-34-1 and Subsection 17-36-3(22); and

1492 (iii) for debt service voted on by the public, the certified tax rate shall be the actual  
1493 levy imposed by that section, except that the certified tax rates for the following levies shall be  
1494 calculated in accordance with Section 59-2-913 and this section:

1495 (A) school [~~levies~~] levies provided for under Sections [~~11-2-7, 53A-16-110,~~  
1496 ~~53A-17a-127, 53A-17a-133, 53A-17a-134, 53A-17a-143, and 53A-17a-145~~] 53A-16-113,  
1497 53A-17a-133, and 53A-17a-164; and

1498 (B) levies to pay for the costs of state legislative mandates or judicial or administrative  
1499 orders under Section 59-2-1604.

1500 (f) (i) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 shall be  
1501 established at that rate which is sufficient to generate only the revenue required to satisfy one  
1502 or more eligible judgments, as defined in Section 59-2-102.

1503 (ii) The ad valorem property tax revenue generated by the judgment levy shall not be  
1504 considered in establishing the taxing entity's aggregate certified tax rate.

1505 (g) The ad valorem property tax revenue generated by the capital [~~outlay~~] discretionary  
1506 levy described in Section [~~53A-16-107~~] 53A-16-113 within a taxing entity in a county of the  
1507 first class:

1508 (i) may not be considered in establishing the school district's aggregate certified tax  
1509 rate; and

1510 (ii) shall be included by the commission in establishing a certified tax rate for that  
1511 capital [~~outlay~~] discretionary levy determined in accordance with the calculation described in  
1512 Subsection 59-2-913(3).

1513 (4) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

1514 (i) the taxable value of real property assessed by a county assessor contained on the  
1515 assessment roll;

1516 (ii) the taxable value of real and personal property assessed by the commission; and

1517 (iii) the taxable year end value of personal property assessed by a county assessor  
1518 contained on the prior year's assessment roll.

1519 (b) For purposes of Subsection (4)(a)(i), the taxable value of real property on the

1520 assessment roll does not include new growth as defined in Subsection (4)(c).

1521 (c) "New growth" means:

1522 (i) the difference between the increase in taxable value of the following property of the  
1523 taxing entity from the previous calendar year to the current year:

1524 (A) real property assessed by a county assessor in accordance with Part 3, County  
1525 Assessment; and

1526 (B) property assessed by the commission under Section 59-2-201; plus

1527 (ii) the difference between the increase in taxable year end value of personal property  
1528 of the taxing entity from the year prior to the previous calendar year to the previous calendar  
1529 year; minus

1530 (iii) the amount of an increase in taxable value described in Subsection (4)(e).

1531 (d) For purposes of Subsection (4)(c)(ii), the taxable value of personal property of the  
1532 taxing entity does not include the taxable value of personal property that is:

1533 (i) contained on the tax rolls of the taxing entity if that property is assessed by a county  
1534 assessor in accordance with Part 3, County Assessment; and

1535 (ii) semiconductor manufacturing equipment.

1536 (e) Subsection (4)(c)(iii) applies to the following increases in taxable value:

1537 (i) the amount of increase to locally assessed real property taxable values resulting  
1538 from factoring, reappraisal, or any other adjustments; or

1539 (ii) the amount of an increase in the taxable value of property assessed by the  
1540 commission under Section 59-2-201 resulting from a change in the method of apportioning the  
1541 taxable value prescribed by:

1542 (A) the Legislature;

1543 (B) a court;

1544 (C) the commission in an administrative rule; or

1545 (D) the commission in an administrative order.

1546 (f) For purposes of Subsection (4)(a)(ii), the taxable year end value of personal  
1547 property on the prior year's assessment roll does not include:

1548 (i) new growth as defined in Subsection (4)(c); or

1549 (ii) the total taxable year end value of personal property contained on the prior year's  
1550 tax rolls of the taxing entity that is:

1551 (A) assessed by a county assessor in accordance with Part 3, County Assessment; and  
 1552 (B) semiconductor manufacturing equipment.

1553 (5) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.

1554 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county  
 1555 auditor of:

1556 (i) its intent to exceed the certified tax rate; and

1557 (ii) the amount by which it proposes to exceed the certified tax rate.

1558 (c) The county auditor shall notify property owners of any intent to levy a tax rate that  
 1559 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

1560 Section 29. Section **59-2-924.3** is amended to read:

1561 **59-2-924.3. Adjustment of the calculation of the certified tax rate for a school**  
 1562 **district imposing a capital discretionary levy in a county of the first class.**

1563 (1) As used in this section:

1564 (a) "Capital [~~outlay~~] discretionary levy increment" means the amount of revenue equal  
 1565 to the difference between:

1566 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value  
 1567 within a school district during a fiscal year; and

1568 (ii) the amount of revenue the school district received during the same fiscal year from  
 1569 the distribution described in Subsection [~~53A-16-107.1~~] 53A-16-114(1).

1570 (b) "Contributing school district" means a school district in a county of the first class  
 1571 that in a fiscal year receives less revenue from the distribution described in Subsection  
 1572 [~~53A-16-107.1~~] 53A-16-114(1) than it would have received during the same fiscal year from a  
 1573 levy imposed within the school district of .0006 per dollar of taxable value.

1574 (c) "Receiving school district" means a school district in a county of the first class that  
 1575 in a fiscal year receives more revenue from the distribution described in Subsection  
 1576 [~~53A-16-107.1~~] 53A-16-114(1) than it would have received during the same fiscal year from a  
 1577 levy imposed within the school district of .0006 per dollar of taxable value.

1578 [~~(2) For fiscal year 2009-10, a receiving school district shall decrease its capital outlay~~  
 1579 ~~certified tax rate under Subsection 59-2-924(3)(g)(ii) by an amount required to offset the~~  
 1580 ~~receiving school district's estimated capital outlay increment for the current fiscal year.]~~

1581 [~~(3)~~] (2) Beginning with fiscal year 2010-11, a receiving school district shall decrease

1582 its capital [~~outlay~~] discretionary levy certified tax rate under Subsection 59-2-924(3)(g)(ii) by  
 1583 the amount required to offset the receiving school district's [~~capital outlay~~] estimated capital  
 1584 discretionary levy increment for the prior fiscal year.

1585 [~~(4)~~ For fiscal year 2009-10, a contributing school district is exempt from the notice  
 1586 and public hearing provisions of Section 59-2-919 for the school district's capital outlay levy  
 1587 certified tax rate calculated pursuant to Subsection 59-2-924(3)(g)(ii) if:]

1588 [(a) the contributing school district budgets an increased amount of ad valorem  
 1589 property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the  
 1590 capital outlay levy described in Section 53A-16-107; and]

1591 [(b) the increased amount of ad valorem property tax revenue described in Subsection  
 1592 (4)(a) is less than or equal to that contributing school district's estimated capital outlay  
 1593 increment for the current fiscal year.]

1594 [(~~5~~) (3) Beginning with fiscal year 2010-11, a contributing school district is exempt  
 1595 from the notice and public hearing provisions of Section 59-2-919 for the school district's  
 1596 capital [~~outlay~~] discretionary levy certified tax rate calculated pursuant to Subsection  
 1597 59-2-924(3)(g)(ii) if:

1598 (a) the contributing school district budgets an increased amount of ad valorem property  
 1599 tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the capital  
 1600 [~~outlay~~] discretionary levy described in Section [~~53A-16-107~~] 53A-16-113; and

1601 (b) the increased amount of ad valorem property tax revenue described in Subsection  
 1602 [(~~5~~) (3)(a) is less than or equal to that contributing school district's capital [~~outlay~~]  
 1603 discretionary levy increment for the prior year.

1604 [(~~6~~) (4) Beginning with fiscal year 2011-12, a contributing school district is exempt  
 1605 from the notice and public hearing provisions of Section 59-2-919 for the school district's  
 1606 capital [~~outlay~~] discretionary levy certified tax rate calculated pursuant to Subsection  
 1607 59-2-924(3)(g)(ii) if:

1608 (a) the contributing school district budgets an increased amount of ad valorem property  
 1609 tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the capital  
 1610 [~~outlay~~] discretionary levy described in Section [~~53A-16-107~~] 53A-16-113; and

1611 (b) the increased amount of ad valorem property tax revenue described in Subsection  
 1612 [(~~6~~) (4)(a) is less than or equal to the difference between:

1613 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value  
1614 imposed within the contributing school district during the current taxable year; and

1615 (ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value  
1616 imposed within the contributing school district during the prior taxable year.

1617 ~~[(7)]~~ (5) Regardless of the amount a school district receives from the revenue collected  
1618 from the .0006 portion of the capital ~~[outlay]~~ discretionary levy required in Subsection  
1619 ~~[53A-16-107(3)]~~ 53A-16-113(4), the revenue generated within the school district from the  
1620 .0006 portion of the capital ~~[outlay]~~ discretionary levy required in Subsection ~~[53A-16-107(3)]~~  
1621 53A-16-113(4) shall be considered to be budgeted ad valorem property tax revenues of the  
1622 school district that levies the .0006 portion of the capital ~~[outlay]~~ discretionary levy for  
1623 purposes of calculating the school district's certified tax rate in accordance with Subsection  
1624 59-2-924(3)(g)(ii).

1625 Section 30. Section **59-2-924.4** is amended to read:

1626 **59-2-924.4. Adjustment of the calculation of the certified tax rate for certain**  
1627 **divided school districts.**

1628 (1) As used in this section:

1629 (a) "Capital ~~[outlay]~~ discretionary levy increment" means the amount of revenue equal  
1630 to the difference between:

1631 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value  
1632 within a qualifying divided school district during a fiscal year; and

1633 (ii) the amount of revenue the qualifying divided school district received during the  
1634 same fiscal year from the distribution described in Section 53A-2-118.3.

1635 (b) "Contributing divided school district" means a school district located within a  
1636 qualifying divided school district that in a fiscal year receives less revenue from the distribution  
1637 described in Section 53A-2-118.3 than it would have received during the same fiscal year from  
1638 a levy imposed within the school district of .0006 per dollar of taxable value.

1639 (c) "Divided school district" means a school district from which a new school district is  
1640 created.

1641 (d) "New school district" means a school district:

1642 (i) created under Section 53A-2-118.1;

1643 (ii) that begins to provide educational services after July 1, 2008; and

- 1644 (iii) located in a qualifying divided school district.
- 1645 (e) "Qualifying divided school district" means a divided school district:
- 1646 (i) located within a county of the second through sixth class; and
- 1647 (ii) with a new school district created under Section 53A-2-118.1 that begins to provide
- 1648 educational services after July 1, 2008.
- 1649 (f) "Qualifying fiscal year" means the first fiscal year that a new school district begins
- 1650 to provide educational services.
- 1651 (g) "Receiving divided school district" means a school district located within a
- 1652 qualifying divided school district that in a fiscal year receives more revenue from the
- 1653 distribution described in Section 53A-2-118.3 than it would have received during the same
- 1654 fiscal year from a levy imposed within the school district of .0006 per dollar of taxable value.
- 1655 (2) A receiving divided school district shall decrease its certified tax rate calculated in
- 1656 accordance with Section 59-2-924 by the amount required to offset the receiving divided
- 1657 school district's capital [~~outlay~~] discretionary levy increment for the prior fiscal year.
- 1658 (3) Beginning with the fiscal year after the qualifying fiscal year, a contributing divided
- 1659 school district is exempt from the notice and public hearing provisions of Section 59-2-919 for
- 1660 the contributing divided school district's certified tax rate calculated pursuant to Section
- 1661 59-2-924 if:
- 1662 (a) the contributing divided school district budgets an increased amount of ad valorem
- 1663 property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the
- 1664 capital [~~outlay~~] discretionary levy required in Section 53A-2-118.3; and
- 1665 (b) the increased amount of ad valorem property tax revenue described in Subsection
- 1666 (3)(a) is less than or equal to that contributing divided school district's capital [~~outlay~~]
- 1667 discretionary levy increment for the prior year.
- 1668 (4) Beginning with the fiscal year after the qualifying fiscal year, a contributing divided
- 1669 school district is exempt from the notice and public hearing provisions of Section 59-2-919 for
- 1670 the contributing divided school district's certified tax rate calculated pursuant to Section
- 1671 59-2-924 if:
- 1672 (a) the contributing divided school district budgets an increased amount of ad valorem
- 1673 property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the
- 1674 capital [~~outlay~~] discretionary levy described in Section 53A-2-118.3; and

1675 (b) the increased amount of ad valorem property tax revenue described in Subsection  
1676 (4)(a) is less than or equal to the difference between:

1677 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value  
1678 imposed within the contributing divided school district during the current taxable year; and

1679 (ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value  
1680 imposed within the contributing divided school district during the prior taxable year.

1681 (5) Regardless of the amount a school district receives from the revenue collected from  
1682 the .0006 portion of the capital [~~outlay~~] discretionary levy described in Section 53A-2-118.3,  
1683 the revenue generated within the school district from the .0006 portion of the capital outlay  
1684 levy described in Section 53A-2-118.3 shall be considered to be budgeted ad valorem property  
1685 tax revenues of the school district that levies the .0006 portion of the capital [~~outlay~~]  
1686 discretionary levy for purposes of calculating the school district's certified tax rate in  
1687 accordance with Section 59-2-924.

1688 Section 31. Section **59-2-926** is amended to read:

1689 **59-2-926. Proposed tax increase by state -- Notice -- Contents -- Dates.**

1690 If the state authorizes a levy [~~pursuant to Section 53A-17a-135 that exceeds the~~  
1691 ~~certified revenue levy as defined in Section 53A-17a-103 or authorizes a levy]~~ pursuant to  
1692 Section 59-2-1602 that exceeds the certified revenue levy as defined in Section 59-2-102, the  
1693 state shall publish a notice no later than ten days after the last day of the annual legislative  
1694 general session that meets the following requirements:

1695 (1) (a) The Office of the Legislative Fiscal Analyst shall advertise that the state  
1696 authorized a levy that generates revenue in excess of the previous year's ad valorem tax  
1697 revenue, plus new growth, but exclusive of revenue from collections from redemptions,  
1698 interest, and penalties:

1699 (i) in a newspaper of general circulation in the state; and

1700 (ii) as required in Section 45-1-101.

1701 (b) Except an advertisement published on a website, the advertisement described in  
1702 Subsection (1)(a):

1703 (i) shall be no less than 1/4 page in size and the type used shall be no smaller than 18  
1704 point, and surrounded by a 1/4-inch border:

1705 (ii) may not be placed in that portion of the newspaper where legal notices and

1706 classified advertisements appear; and

1707 (iii) shall be run once.

1708 (2) The form and content of the notice shall be substantially as follows:

1709 "NOTICE OF TAX INCREASE

1710 The state has budgeted an increase in its property tax revenue from \$\_\_\_\_\_ to  
1711 \$\_\_\_\_\_ or \_\_\_\_%. The increase in property tax revenues will come from the following  
1712 sources (include all of the following provisions):

1713 (a) \$\_\_\_\_\_ of the increase will come from (provide an explanation of the cause  
1714 of adjustment or increased revenues, such as reappraisals or factoring orders);

1715 (b) \$\_\_\_\_\_ of the increase will come from natural increases in the value of the  
1716 tax base due to (explain cause of new growth, such as new building activity, annexation, etc.);

1717 (c) a home valued at \$100,000 in the state of Utah which based on last year's (~~levy for~~  
1718 ~~the basic state-supported school program,~~] levy for the Property Tax Valuation Agency Fund,  
1719 [~~or both~~] paid \$\_\_\_\_\_ in property taxes would pay the following:

1720 (i) \$\_\_\_\_\_ if the state of Utah did not budget an increase in property tax revenue  
1721 exclusive of new growth; and

1722 (ii) \$\_\_\_\_\_ under the increased property tax revenues exclusive of new growth  
1723 budgeted by the state of Utah."

1724 Section 32. Section **63G-7-704** is amended to read:

1725 **63G-7-704. Tax levy by political subdivisions for payment of claims, judgments,**  
1726 **or insurance premiums.**

1727 (1) For purposes of this section, "political subdivision" does not include a school  
1728 district.

1729 ~~(1)~~ (2) Notwithstanding any provision of law to the contrary, a political subdivision  
1730 may levy an annual property tax sufficient to pay:

1731 (a) any claim, settlement, or judgment;

1732 (b) the costs to defend against any claim, settlement, or judgment; or

1733 (c) for the establishment and maintenance of a reserve fund for the payment of claims,  
1734 settlements, or judgments that may be reasonably anticipated.

1735 ~~(2)~~ (3) (a) The payments authorized to pay for punitive damages or to pay the  
1736 premium for authorized insurance is money spent for a public purpose within the meaning of

1737 this section and Article XIII, Sec. 5, Utah Constitution, even though, as a result of the levy, the  
1738 maximum levy as otherwise restricted by law is exceeded.

1739 (b) No levy under this section may exceed .0001 per dollar of taxable value of taxable  
1740 property.

1741 (c) The revenues derived from this levy may not be used for any purpose other than  
1742 those specified in this section.

1743 Section 33. **Repealer.**

1744 This bill repeals:

1745 Section **53A-16-107, Capital outlay levy -- Maintenance of school facilities --**  
1746 **Authority to use proceeds of .0002 tax rate -- Restrictions and procedure.**

1747 Section **53A-16-110, Special tax to buy school building sites, build and furnish**  
1748 **schoolhouses, or improve school property.**

1749 Section **53A-16-111, Payment of judgments and warrants -- Special tax.**

1750 Section **53A-17a-134, Board-approved leeway -- Purpose -- State support --**  
1751 **Disapproval.**

1752 Section **53A-17a-145, Additional levy by district for debt service, school sites,**  
1753 **buildings, buses, textbooks, and supplies.**

1754 Section **53A-17a-151, Board leeway for reading improvement.**

1755 Section 34. **Effective date.**

1756 This bill takes effect on January 1, 2011.