

AMENDMENTS TO EDUCATION FINANCING

2010 GENERAL SESSION

STATE OF UTAH

LONG TITLE**General Description:**

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

Highlighted Provisions:

This bill:

- ▶ repeals the authority of school districts to levy certain property taxes;
- ▶ sets the statewide minimum basic tax rate at a fixed rate beginning in 2011;
- ▶ requires the Legislature to increase the value of the weighted pupil unit for purposes of determining school districts' income tax funding by an amount equal to the increased amount of revenue generated statewide by the minimum basic tax rate from the prior year;
- ▶ creates a 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

- 33 **11-13-302**, as last amended by Laws of Utah 2008, Chapters 236 and 382
- 34 **20A-1-203**, as last amended by Laws of Utah 2008, Chapter 16
- 35 **53A-1a-106**, as last amended by Laws of Utah 2003, Chapter 221
- 36 **53A-1a-513**, as last amended by Laws of Utah 2009, Chapter 391
- 37 **53A-2-114**, as last amended by Laws of Utah 2008, Chapter 236
- 38 **53A-2-115**, as last amended by Laws of Utah 2008, Chapter 236
- 39 **53A-2-118.2**, as enacted by Laws of Utah 2007, Chapter 297
- 40 **53A-2-118.3**, as enacted by Laws of Utah 2008, Chapter 236
- 41 **53A-2-206**, as last amended by Laws of Utah 2008, Chapter 382
- 42 **53A-2-214**, as enacted by Laws of Utah 2008, Chapter 233
- 43 **53A-3-415**, as last amended by Laws of Utah 1991, Chapter 72
- 44 **53A-17a-103**, as last amended by Laws of Utah 2008, Chapters 61 and 397
- 45 **53A-17a-104**, as last amended by Laws of Utah 2009, Chapters 4 and 391
- 46 **53A-17a-105**, as last amended by Laws of Utah 2009, Chapter 183
- 47 **53A-17a-127**, as last amended by Laws of Utah 2009, Chapter 391
- 48 **53A-17a-133**, as last amended by Laws of Utah 2009, Chapters 204 and 391
- 49 **53A-17a-135**, as last amended by Laws of Utah 2009, Chapter 391
- 50 **53A-17a-136**, as renumbered and amended by Laws of Utah 1991, Chapter 72
- 51 **53A-17a-143**, as last amended by Laws of Utah 1995, Chapter 271
- 52 **53A-17a-146**, as last amended by Laws of Utah 2009, Chapter 4
- 53 **53A-17a-150**, as enacted by Laws of Utah 2004, Chapter 305
- 54 **53A-21-101.5**, as enacted by Laws of Utah 2008, Chapter 236
- 55 **59-2-904**, as last amended by Laws of Utah 1993, Chapter 4
- 56 **59-2-924 (Effective 01/01/10)**, as last amended by Laws of Utah 2009, Chapters 152,
- 57 204, 356, and 388
- 58 **59-2-924.3**, as last amended by Laws of Utah 2009, Chapter 204
- 59 **59-2-924.4**, as last amended by Laws of Utah 2009, Chapter 204
- 60 **59-2-926**, as last amended by Laws of Utah 2009, Chapter 388
- 61 **63G-7-704**, as renumbered and amended by Laws of Utah 2008, Chapter 382
- 62 ENACTS:
- 63 **53A-16-113**, Utah Code Annotated 1953

64 **53A-17a-164**, Utah Code Annotated 1953

65 RENUMBERS AND AMENDS:

66 **53A-16-114**, (Renumbered from 53A-16-107.1, as enacted by Laws of Utah 2008,
67 Chapter 236)

68 REPEALS:

69 **53A-16-107**, as last amended by Laws of Utah 2008, Chapter 236

70 **53A-16-110**, as last amended by Laws of Utah 2008, Chapter 236

71 **53A-16-111**, as enacted by Laws of Utah 1988, Chapter 2

72 **53A-17a-134**, as last amended by Laws of Utah 2009, Chapter 391

73 **53A-17a-145**, as renumbered and amended by Laws of Utah 1991, Chapter 72

74 **53A-17a-151**, as enacted by Laws of Utah 2004, Chapter 305

75

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

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

78 **11-2-7. Expenses -- Payment of -- Authority to appropriate and tax -- Licensing**
79 **of television owners and users -- Collection of license fees -- Exception for a school**
80 **district.**

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

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

86 (2) In areas so remote from regular transmission points of the large television stations
87 that television reception is impossible without special equipment and adequate, economical and
88 proper television is not available to the public by private sources, said local authorities may
89 also, by ordinance, license, for the purpose of raising revenue to equip, operate and maintain
90 television transmission and relay facilities, all users or owners of television sets within the
91 jurisdiction of said local authorities, and may provide for the collection of the license fees by
92 suit or otherwise and may also enforce obedience to such ordinances with such fine and
93 imprisonment as the local authorities ~~[deem]~~ consider proper; provided that the punishment for

94 any violation of such ordinances shall be by a fine not exceeding \$50.00 or by imprisonment
95 not exceeding one day for each \$5.00 of said fine, if the fine is not paid.

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

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

99 **11-13-302. Payment of fee in lieu of ad valorem property tax by certain energy**
100 **suppliers -- Method of calculating -- Collection -- Extent of tax lien.**

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

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

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

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

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

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

123 (2) (a) The annual fees due a school district shall be as provided in Subsection (2)(b)
124 because the ad valorem property tax imposed by a school district and authorized by the

125 Legislature under Section 53A-17a-135 represents both:

126 (i) a levy mandated by the state for the state minimum school program under Section
127 53A-17a-135; and

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

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

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

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

137 (A) an annual fee; or

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

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

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

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

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

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

- 156 (ii) reflect any credit to be given in that year.
- 157 (4) (a) Except as otherwise provided in this section, the annual fees required by this
158 section shall be paid, collected, and distributed to the taxing jurisdiction as if:
- 159 (i) the annual fees were ad valorem property taxes; and
- 160 (ii) the project were assessed at the same rate and upon the same measure of value as
161 taxable property in the state.
- 162 (b) (i) Notwithstanding Subsection (4)(a), for purposes of an annual fee required by
163 this section, the fee base of a project may be determined in accordance with an agreement
164 among:
- 165 (A) the project entity; and
- 166 (B) any county that:
- 167 (I) is due an annual fee from the project entity; and
- 168 (II) agrees to have the fee base of the project determined in accordance with the
169 agreement described in this Subsection (4).
- 170 (ii) The agreement described in Subsection (4)(b)(i):
- 171 (A) shall specify each year for which the fee base determined by the agreement shall be
172 used for purposes of an annual fee; and
- 173 (B) may not modify any provision of this chapter except the method by which the fee
174 base of a project is determined for purposes of an annual fee.
- 175 (iii) For purposes of an annual fee imposed by a taxing jurisdiction within a county
176 described in Subsection (4)(b)(i)(B), the fee base determined by the agreement described in
177 Subsection (4)(b)(i) shall be used for purposes of an annual fee imposed by that taxing
178 jurisdiction.
- 179 (iv) (A) If there is not agreement as to the fee base of a portion of a project for any
180 year, for purposes of an annual fee, the State Tax Commission shall determine the value of that
181 portion of the project for which there is not an agreement:
- 182 (I) for that year; and
- 183 (II) using the same measure of value as is used for taxable property in the state.
- 184 (B) The valuation required by Subsection (4)(b)(iv)(A) shall be made by the State Tax
185 Commission in accordance with rules made by the State Tax Commission.
- 186 (c) Payments of the annual fees shall be made from:

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

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

189 (d) (i) The contracts of the project entity with the purchasers of the capacity, service, or
190 other benefits of the project whose tangible property is not exempted by Utah Constitution
191 Article XIII, Section 3, from the payment of ad valorem property tax shall require each
192 purchaser, whether or not located in the state, to pay, to the extent not otherwise provided for,
193 its share, determined in accordance with the terms of the contract, of these fees.

194 (ii) It is the responsibility of the project entity to enforce the obligations of the
195 purchasers.

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

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

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

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

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

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

208 (A) is not a project entity; and

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

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

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

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

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

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

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

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

226 **20A-1-203. Calling and purpose of special elections.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

255 (viii) an election of town officers of a newly incorporated town under Subsection
256 10-2-125(9).

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

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

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

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

262 **53A-1a-106. School district and individual school powers.**

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

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

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

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

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

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

279 (v) provide opportunities for each student to acquire and develop academic and

280 occupational knowledge, skills, and abilities;

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

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

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

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

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

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

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

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

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

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

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

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

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

307 **53A-1a-513. Funding for charter schools.**

308 (1) As used in this section:

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

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

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

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

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

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

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

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

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

325 ~~(C)~~ (III) 10% of the cost of the basic program levy imposed under Section
326 53A-17a-145;

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

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

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

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

331 ~~(A)~~ (I) a school district's average daily membership; and

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

334 (ii) for a fiscal year beginning on or after fiscal year 2013-14;

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

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

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

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

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

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

341 (II) the average daily membership of a school district's resident students who attend

342 charter schools.

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

345 (d) "Statewide average debt service revenues" means the amount determined as
346 follows, using data from the most recently published state superintendent's annual report:

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

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

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

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

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

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

360 (i) .55 for kindergarten pupils;

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

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

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

364 (4) (a) (i) A school district shall allocate a portion of school district revenues for each
365 resident student of the school district who is enrolled in a charter school on October 1 equal to
366 25% of the lesser of:

367 (A) district per pupil local revenues; or

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

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

372 (iii) Nothing in this Subsection (4)(a) affects the school bond guarantee program

373 established under Chapter 28, Utah School Bond Guaranty Act.

374 (b) The State Board of Education shall:

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

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

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

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

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

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

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

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

393 (B) statewide average debt service revenues.

394 (iii) If the total of a school district's allocation for a charter school student under
395 Subsection (4)(a) and the amount provided by the state under Subsection (4)(d)(ii) is less than
396 \$1427, the state shall provide an additional supplement so that a charter school receives at least
397 \$1427 per student under this Subsection (4).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

430 **53A-2-114. Additional levies -- School board options to abolish or continue after**
431 **consolidation.**

432 (1) If a school district which has approved an additional levy under Section
433 [~~53A-16-110, 53A-17a-133, 53A-17a-134, or 53A-17a-145~~] 53A-17a-133 is consolidated with
434 a district which does not have such a levy, the board of education of the consolidated district

435 may choose to abolish the levy, or apply it in whole or in part to the entire consolidated district.

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

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

440 **53A-2-115. Additional levies in transferred territory -- Transferee board option**
441 **to abolish or continue.**

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

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

451 **53A-2-118.2. New school district property tax -- Limitations.**

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

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

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

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

463 (ii) impose a levy on the new school district as provided in Section ~~[53A-16-110 or]~~
464 53A-17a-133; or

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

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

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

471 **53A-2-118.3. Imposition of the capital discretionary levy in qualifying divided**
472 **school districts.**

473 (1) For purposes of this section:

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

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

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

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

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

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

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

495 (b) 75% of the revenues shall be distributed in proportion to a school district's
496 percentage of the total current year enrollment in all of the school districts within the qualifying

497 divided school district, as of the October 1 enrollment counts.

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

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

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

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

510 **53A-2-206. Interstate compact students -- Inclusion in attendance count --**
511 **Funding for foreign exchange students -- Annual report -- Requirements for exchange**
512 **student agencies.**

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

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

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

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

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

527 (ii) Subject to the limitation in Subsection (2)(c), the number of weighted pupil units in

528 the grades 1-12 basic program attributed to foreign exchange students shall be equal to the
529 number of foreign exchange students who were:

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

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

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

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

538 (B) 328 foreign exchange students.

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

543 (d) Notwithstanding [~~Sections~~] Section 53A-17a-133 [~~and 53A-17a-134~~] or
544 53A-17a-164, weighted pupil units in the grades 1-12 basic program for foreign exchange
545 students, as determined by Subsections (2)(b) and (c), may not be included for the purposes of
546 determining a school district's state guarantee money under the voted or [~~board fee~~ way
547 programs] board local discretionary levies.

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

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

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

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

555 (4) Due to the benefits to all students of having the opportunity to become familiar
556 with individuals from diverse backgrounds and cultures, school districts are encouraged to
557 enroll foreign exchange students, as provided in Subsection (3), particularly in schools with
558 declining or stable enrollments where the incremental cost of enrolling the foreign exchange

559 student may be minimal.

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

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

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

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

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

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

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

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

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

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

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

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

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

593 **53A-2-214. Online students' participation in extracurricular activities.**

594 (1) As used in this section:

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

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

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

600 (ii) generates funding for the school district or school pursuant to Subsection
601 53A-17a-103[~~(5)~~](4) and rules of the State Board of Education.

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

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

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

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

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

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

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

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

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

620 (b) The rules shall provide that:

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

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

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

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

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

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

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

638 **53A-3-415. School board policy on detaining students after school.**

639 (1) Each local school board shall establish a policy on detaining students after regular
640 school hours as a part of the districtwide discipline plan required under Section [~~53A-17a-135~~]
641 53A-11-901.

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

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

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

649 **53A-16-113. Capital discretionary levy -- First class county required levy.**

650 (1) As used in this section:

651 (a) "Capital aggregate tax rate" means a tax rate equal to the sum of the tax rates

652 imposed by a school district from the following levies:

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

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

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

658 (i) the amount of revenue generated during the taxable year beginning on January 1,
659 2010, from the sum of the following levies of a school district:

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

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

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

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

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

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

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

671 (b) A tax rate imposed by a school district pursuant to this section may not exceed
672 .0030 per dollar of taxable value in any fiscal year.

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

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

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

683 school districts within the county in accordance with Section 53A-16-107.1.

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

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

690 **[53A-16-107.1]. 53A-16-114. 53A-16-107.1. School capital outlay in**
691 **counties of the first class -- Allocation.**

692 (1) The county treasurer of a county of the first class shall distribute revenues
693 generated by the .0006 portion of the capital ~~[outlay]~~ discretionary levy required in ~~[Subsection~~
694 ~~53A-16-107(3)]~~ Section 53A-16-113 to school districts located within the county of the first
695 class as follows:

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

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

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

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

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

714 53A-16-113.

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

716 **53A-17a-103. Definitions.**

717 As used in this chapter:

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

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

724 (i) the amount of ad valorem property tax revenue to be generated statewide in the
725 previous year from imposing a minimum basic tax rate, as specified in Subsection
726 53A-17a-135(1)[~~(a)~~]; and

727 (ii) the product of:

728 (A) new growth, as defined in:

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

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

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

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

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

737 (ii) semiconductor manufacturing equipment.

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

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

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

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

745 contained on the prior year's assessment roll.

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

748 ~~[(4)] (3)~~ "Pupil in average daily membership (ADM)" means a full-day equivalent
749 pupil.

750 ~~[(5)] (4)~~ (a) "State-supported minimum school program" or "minimum school
751 program" means public school programs for kindergarten, elementary, and secondary schools
752 as described in this Subsection ~~[(5)] (4)~~.

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

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

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

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

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

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

764 ~~[(6)] (5)~~ "Weighted pupil unit or units or WPU or WPU's" means the unit of measure of
765 factors that is computed in accordance with this chapter for the purpose of determining the
766 costs of a program on a uniform basis for each district.

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

768 **53A-17a-104. Amount of state's contribution toward minimum school program.**

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

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

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

- 776 (b) basic program - grades 1-12, \$1,291,316,661 (501,093 WPU);
777 (c) basic program - professional staff, \$118,627,041 (46,033 WPU);
778 (d) basic program - administrative costs, \$4,174,740 (1,620 WPU);
779 (e) basic program - necessarily existent small schools and units for consolidated
780 schools, \$19,711,473 (7,649 WPU);
781 (f) special education - regular program - add-on WPU for students with disabilities,
782 \$160,029,123 (62,099 WPU);
783 (g) preschool special education program, \$22,623,483 (8,779 WPU);
784 (h) self-contained regular WPU, \$35,632,179 (13,827 WPU);
785 (i) extended year program for severely disabled, \$992,145 (385 WPU);
786 (j) special education programs in state institutions and district impact aid, \$4,398,939
787 (1,707 WPU);
788 (k) career and technical education district programs, \$68,656,434 (26,642 WPU),
789 including \$1,174,084 for summer career and technical education agriculture programs;
790 (l) class size reduction, \$90,537,741 (35,133 WPU);
791 (m) Social Security and retirement programs, \$13,407,831;
792 (n) pupil transportation to and from school, \$65,646,865, of which not less than
793 \$2,584,435 shall be allocated to the Utah Schools for the Deaf and Blind to pay for
794 transportation costs of the schools' students;
795 (o) guarantee transportation levy, \$500,000;
796 (p) Interventions for Student Success Block Grant Program, \$15,000,000;
797 (q) highly impacted schools, \$4,610,907;
798 (r) at-risk programs, \$28,270,141;
799 (s) adult education, \$9,266,146;
800 (t) accelerated learning programs, \$3,566,081;
801 (u) concurrent enrollment, \$8,705,286;
802 (v) High-ability Student Initiative Program, \$495,000;
803 (w) English Language Learner Family Literacy Centers, \$1,800,000;
804 (x) electronic high school, \$2,000,000;
805 (y) School LAND Trust Program, \$20,000,000;
806 (z) state supplement to local property taxes for charter schools, pursuant to Section

- 807 53A-1a-513, \$45,288,446;
- 808 (aa) charter school administrative costs, \$3,677,000;
- 809 (bb) K-3 Reading Improvement Program, \$15,000,000;
- 810 (cc) Public Education Job Enhancement Program, \$2,187,000;
- 811 (dd) educator salary adjustments, \$148,260,200;
- 812 (ee) Teacher Salary Supplement Restricted Account, \$3,700,000;
- 813 (ff) library books and electronic resources, \$500,000;
- 814 (gg) school nurses, \$900,000;
- 815 (hh) critical languages, \$230,000;
- 816 (ii) extended year for special educators, \$2,610,000;
- 817 (jj) USTAR Centers, \$6,210,000;
- 818 (kk) state-supported [~~voted leeway~~] voted local discretionary levy guarantee,
- 819 \$278,396,150;
- 820 (ll) state-supported board [~~leeway~~] local discretionary levy guarantee, \$73,324,640; and
- 821 (mm) state-supported board leeway for K-3 Reading Improvement Program,
- 822 \$15,000,000.
- 823 Section 17. Section **53A-17a-105** is amended to read:
- 824 **53A-17a-105. Action required for underestimated or overestimated weighted**
- 825 **pupil units -- Action required for underestimating or overestimating local contributions.**
- 826 (1) If the number of weighted pupil units in a program is underestimated in Section
- 827 53A-17a-104, the amount per pupil in that program paid under this chapter must be reduced so
- 828 that the amount paid does not exceed the estimated amount by program.
- 829 (2) If the number of weighted pupil units in a program is overestimated in Section
- 830 53A-17a-104, the state superintendent of public instruction shall either increase the amount
- 831 paid in that program per weighted pupil unit or transfer the unused amount in that program to
- 832 another program included in the minimum school program.
- 833 (3) (a) If surplus funds are transferred to another program, the state superintendent, if
- 834 the state superintendent determines certain districts have greater need for additional funds, may
- 835 designate the districts as well as the programs to which the transferred funds will be allocated.
- 836 (b) Any amounts transferred under Subsection (3)(a) may be spent in addition to the
- 837 amounts listed in Section 53A-17a-104.

838 (4) The limitation on the proceeds from local tax rates for [~~operation and maintenance~~
 839 programs under this chapter is subject to modification by local school boards under Sections
 840 53A-17a-133 and [~~53A-17a-134~~] 53A-17a-164 and to special tax rates authorized by this
 841 chapter, and shall be adjusted accordingly.

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

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

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

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

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

862 **53A-17a-127. Eligibility for state-supported transportation -- Approved bus**
 863 **routes.**

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

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

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

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

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

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

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

883 (b) The State Board of Education shall distribute appropriated transportation funds
884 based on the prior year's eligible transportation costs as legally reported under Subsection
885 53A-17a-126(3).

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

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

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

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

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

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

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

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

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

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

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

915 (d) (i) The amount of state guarantee money which a school district would otherwise be
 916 entitled to receive under Subsection (6)~~(c)~~(b)(i) may not be reduced for the sole reason that
 917 the district's levy is reduced as a consequence of changes in the certified tax rate under Section
 918 59-2-924 due to changes in property valuation.

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

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

922 **53A-17a-133. Voted local discretionary levy -- Election requirements -- State**
 923 **guarantee -- Reconsideration of levy authorization.**

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

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

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

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

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

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

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

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

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

954 (ii) ~~[The]~~ Except as provided in Subsection (3)(c)(iii), the guarantee shall increase by
955 .0005 times the value of the prior year's weighted pupil unit for each succeeding year [until the
956 guarantee is equal to].

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

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

962 pursuant to changes in property valuation.

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

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

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

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

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

977 (5) Notwithstanding Section 59-2-919, a school district may budget an increased
978 amount of ad valorem property tax revenue derived from a voted [~~leeway~~] local discretionary
979 levy imposed under this section in addition to revenue from new growth as defined in
980 Subsection 59-2-924(4), without having to comply with the notice requirements of Section
981 59-2-919, if:

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

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

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

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

991 (6) Notwithstanding Section 59-2-919, a school district may levy a tax rate under this
992 section that exceeds the certified tax rate without having to comply with the notice

993 requirements of Section 59-2-919 if:

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

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

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

1000 (ii) within the four-year period immediately preceding the year in which the school
1001 district seeks to budget an increased amount of ad valorem property tax revenue derived from
1002 the voted [~~leeway~~] local discretionary levy; and

1003 (c) for a voted [~~leeway~~] local discretionary levy approved or modified in accordance
1004 with this section on or after January 1, 2009, the school district complies with requirements of
1005 Subsection (7).

1006 (7) For purposes of Subsection (5)(b) or (6)(c), the proposition submitted to the
1007 electors regarding the adoption or modification of a voted leeway program shall contain the
1008 following statement:

1009 "A vote in favor of this tax means that (name of the school district) may increase
1010 revenue from this property tax without advertising the increase for the next five years."

1011 (8) (a) Before imposing a property tax levy pursuant to this section, a school district
1012 shall submit an opinion question to the school district's registered voters voting on the
1013 imposition of the tax rate so that each registered voter has the opportunity to express the
1014 registered voter's opinion on whether the tax rate should be imposed.

1015 (b) The election required by this Subsection (8) shall be held:

1016 (i) at a regular general election conducted in accordance with the procedures and
1017 requirements of Title 20A, Election Code, governing regular elections;

1018 (ii) at a municipal general election conducted in accordance with the procedures and
1019 requirements of Section 20A-1-202; or

1020 (iii) at a local special election conducted in accordance with the procedures and
1021 requirements of Section 20A-1-203.

1022 (c) Notwithstanding the requirements of Subsections (8)(a) and (b), beginning on or
1023 after January 1, 2011, a school district may levy a tax rate in accordance with this section

1024 without complying with the requirements of Subsections (8)(a) and (b) if the school district
 1025 imposed a tax in accordance with this section at any time during the taxable year beginning on
 1026 January 1, 2010 and ending on December 31, 2010.

1027 (9) If a school district determines that a majority of the school district's registered
 1028 voters voting on the imposition of the tax rate have voted in favor of the imposition of the tax
 1029 rate in accordance with Subsection (8), the school district may impose the tax rate.

1030 Section 20. Section **53A-17a-135** is amended to read:

1031 **53A-17a-135. Minimum basic tax rate.**

1032 (1) (a) ~~[In order]~~ Except as provided in Subsection (1)(b), to qualify for receipt of the
 1033 state contribution toward the basic program and as its contribution toward its costs of the basic
 1034 program, each school district shall impose a minimum basic tax rate per dollar of taxable value
 1035 that generates [\$273,950,764 in revenues] statewide an amount of revenue equal to the revenue
 1036 generated by the certified revenue levy for the calendar year beginning on January 1, 2011.

1037 ~~[(b) The preliminary estimate for the 2009-10 minimum basic tax rate is .001303.]~~

1038 ~~[(c) The State Tax Commission shall certify on or before June 22 the rate that~~
 1039 ~~generates \$273,950,764 in revenues statewide.]~~

1040 ~~[(d) If the minimum basic tax rate exceeds the certified revenue levy as defined in~~
 1041 ~~Section 53A-17a-103, the state is subject to the notice requirements of Section 59-2-926.]~~

1042 (b) For a calendar year beginning on or after January 1, 2012, the minimum basic tax
 1043 rate per dollar of taxable value shall be the greater of:

1044 (i) the tax rate described in Subsection (1)(a); or

1045 (ii) the certified revenue levy for that calendar year as defined in Section 53A-17a-103.

1046 (2) (a) The state shall contribute to each district toward the cost of the basic program in
 1047 the district that portion which exceeds the proceeds of the levy authorized under Subsection
 1048 (1).

1049 (b) In accord with the state strategic plan for public education and to fulfill its
 1050 responsibility for the development and implementation of that plan, the Legislature instructs
 1051 the State Board of Education, the governor, and the Office of Legislative Fiscal Analyst in each
 1052 of the coming five years to develop budgets that will fully fund student enrollment growth.

1053 (3) (a) If the proceeds of the levy authorized under Subsection (1) equal or exceed the
 1054 cost of the basic program in a school district, no state contribution shall be made to the basic

1055 program.

1056 (b) The proceeds of the levy authorized under Subsection (1) which exceed the cost of
1057 the basic program shall be paid into the Uniform School Fund as provided by law.

1058 (4) For a fiscal year beginning on or after fiscal year 2012-13, the Legislature shall
1059 increase the dollar amount described in Subsection 53A-17a-103(1) by an amount equal to the
1060 difference between:

1061 (a) the amount of revenue generated statewide from the imposition of the minimum
1062 basic tax rate during that calendar year; and

1063 (b) the amount of revenue that would have been generated from the imposition of the
1064 certified revenue levy statewide for the same calendar year.

1065 Section 21. Section **53A-17a-136** is amended to read:

1066 **53A-17a-136. Cost of operation and maintenance of minimum school program --**
1067 **Division between state and school districts.**

1068 (1) The total cost of operation and maintenance of the minimum school program in the
1069 state is divided between the state and school districts as follows:

1070 (a) Each school district shall impose a minimum basic tax rate on all taxable, tangible
1071 property in the school district and shall contribute the tax proceeds toward the cost of the basic
1072 program as provided in this chapter.

1073 (b) Each school district may also impose a board or voted local discretionary levy [~~for~~
1074 ~~the purpose of participating in the leeway programs]~~ as provided in this chapter.

1075 (c) The state shall contribute the balance of the total costs.

1076 (2) The contributions by the school districts and by the state are computed separately
1077 for the purpose of determining:

1078 (a) their respective contributions to the basic program; and [~~to the leeway programs~~
1079 ~~provided in this chapter.~~]

1080 (b) the amount of state guarantee a school district is entitled to from:

1081 (i) a voted local discretionary levy guarantee described in Subsection 53A-17a-133(3);

1082 or

1083 (ii) a board local discretionary levy guarantee described in Subsection 53A-17a-164(3).

1084 Section 22. Section **53A-17a-143** is amended to read:

1085 **53A-17a-143. Federal Impact Aid Program -- Offset for underestimated**

1086 **allocations from the Federal Impact Aid Program.**

1087 (1) In addition to the revenues received from the levy imposed by each school district
 1088 and authorized by the Legislature under Section 53A-17a-135, ~~[a local school board may~~
 1089 ~~increase its tax rate to]~~ the Legislature shall provide an amount equal to the difference between
 1090 the district's anticipated receipts under the entitlement for the fiscal year from ~~[Public Law~~
 1091 ~~81-874]~~ the Federal Impact Aid Program and the amount the district actually received from this
 1092 source for the next preceding fiscal year.

1093 ~~[(2) The tax rate for this purpose may not exceed .0008 per dollar of taxable value in~~
 1094 ~~any fiscal year.]~~

1095 ~~[(3) This authorization terminates for each district at the end of the third year it is~~
 1096 ~~used.]~~

1097 ~~[(4)]~~ (2) If at the end of a fiscal year the sum of the receipts of a school district from
 1098 ~~[this special tax rate plus allocation from Public Law 81-874]~~ a distribution from the
 1099 Legislature pursuant to Subsection (1) plus the school district's allocations from the Federal
 1100 Impact Aid Program for that fiscal year exceeds the amount allocated to the district from
 1101 ~~[Public Law 81-874]~~ the Federal Impact Aid Program for the next preceding fiscal year, the
 1102 excess funds are carried into the next succeeding fiscal year and become in that year a part of
 1103 the district's contribution to its basic program for operation and maintenance under the state
 1104 minimum school finance law.

1105 ~~[(5)]~~ (3) During that year the district's required tax rate for the basic program shall be
 1106 reduced so that the yield from the reduced tax rate plus the carryover funds equal the district's
 1107 required contribution to its basic program.

1108 ~~[(6)]~~ (4) A district that reduces its basic tax rate under this section shall receive state
 1109 minimum school program funds as though the reduction in the tax rate had not been made.

1110 Section 23. Section **53A-17a-146** is amended to read:

1111 **53A-17a-146. Reduction of district allocation based on insufficient revenues.**

1112 (1) (a) As used in this section, "Minimum School Program funds" means the total of
 1113 state and local funds appropriated under Section 53A-17a-104, excluding:

- 1114 (i) the state-supported ~~[voter leeway]~~ voted local discretionary levy guarantee;
- 1115 (ii) the state-supported board ~~[leeway]~~ local discretionary levy guarantee; and
- 1116 (iii) the appropriation to charter schools to replace local property tax revenues.

1117 (b) The State Board of Education, after consultation with each school district and
 1118 charter school, shall allocate the ongoing locally determined reduction provided in Section
 1119 53A-17a-104 for fiscal year 2008-09 among school districts and charter schools in proportion
 1120 to each school district's or charter school's percentage share of Minimum School Program
 1121 funds.

1122 (2) Each district and charter school shall determine which programs are affected by,
 1123 and the amount of, the reductions, except as provided in Subsection (4).

1124 (3) The requirement to spend a specified amount in any particular program is waived if
 1125 reductions are required under this section, except as provided in Subsection (4).

1126 (4) A school district or charter school may not reduce or reallocate spending of funds
 1127 distributed to the school district or charter school for the following programs:

1128 (a) educator salary adjustments provided in Section 53A-17a-153;

1129 (b) the Teacher Salary Supplement Program provided in Section 53A-17a-156;

1130 (c) the extended year for special educators provided in Section 53A-17a-158; and

1131 (d) USTAR centers provided in Section 53A-17a-159.

1132 Section 24. Section **53A-17a-150** is amended to read:

1133 **53A-17a-150. K-3 Reading Improvement Program.**

1134 (1) As used in this section:

1135 (a) "Program" means the K-3 Reading Improvement Program~~[, and]~~.

1136 (b) "Program monies" means:

1137 ~~[(i) school district revenue from the levy authorized under Section 53A-17a-151;]~~

1138 ~~[(ii)]~~ (i) school district revenue allocated to the program from ~~[other]~~ monies available
 1139 to the school district, except monies provided by the state, for the purpose of receiving state
 1140 funds under this section; and

1141 ~~[(iii)]~~ (ii) monies appropriated by the Legislature to the program.

1142 (2) The K-3 Reading Improvement Program consists of program monies and is created
 1143 to achieve the state's goal of having third graders reading at or above grade level.

1144 (3) Subject to future budget constraints, the Legislature may annually appropriate
 1145 money to the K-3 Reading Improvement Program.

1146 (4) (a) Prior to using program monies, a school district or charter school shall submit a
 1147 plan to the State Board of Education for reading proficiency improvement that incorporates the

1148 following components:

1149 (i) assessment;

1150 (ii) intervention strategies;

1151 (iii) professional development;

1152 (iv) reading performance standards; and

1153 (v) specific measurable goals that are based upon gain scores.

1154 (b) The State Board of Education shall provide model plans which a school district or
1155 charter school may use, or the district or school may develop its own plan.

1156 (c) Plans developed by a school district or charter school shall be approved by the State
1157 Board of Education.

1158 (5) There is created within the K-3 Reading Achievement Program three funding
1159 programs:

1160 (a) the Base Level Program;

1161 (b) the Guarantee Program; and

1162 (c) the Low Income Students Program.

1163 (6) Monies appropriated to the State Board of Education for the K-3 Reading
1164 Improvement Program shall be allocated to the three funding programs as follows:

1165 (a) 8% to the Base Level Program;

1166 (b) 46% to the Guarantee Program; and

1167 (c) 46% to the Low Income Students Program.

1168 (7) (a) To participate in the Base Level Program, a school district or charter school
1169 shall submit a reading proficiency improvement plan to the State Board of Education as
1170 provided in Subsection (4) and must receive approval of the plan from the board.

1171 (b) (i) Each school district qualifying for Base Level Program funds and the qualifying
1172 elementary charter schools combined shall receive a base amount.

1173 (ii) The base amount for the qualifying elementary charter schools combined shall be
1174 allocated among each school in an amount proportionate to:

1175 (A) each existing charter school's prior year fall enrollment in grades kindergarten
1176 through grade 3; and

1177 (B) each new charter school's estimated fall enrollment in grades kindergarten through
1178 grade 3.

1179 (8) (a) A school district that applies for program monies in excess of the Base Level
1180 Program funds shall choose to first participate in either the Guarantee Program or the Low
1181 Income Students Program.

1182 (b) A school district must fully participate in either the Guarantee Program or the Low
1183 Income Students Program before it may elect to either fully or partially participate in the other
1184 program.

1185 (c) To fully participate in the Guarantee Program, a school district shall~~[(i) levy a tax~~
1186 ~~rate of .000056 under Section 53A-17a-151;(ii)]~~ allocate to the program ~~[other]~~ monies
1187 available to the school district, except monies provided by the state, equal to the amount of
1188 revenue that would be generated by a tax rate of .000056~~;~~~~or~~.

1189 ~~[(iii) levy a tax under Section 53A-17a-151 and allocate to the program other monies~~
1190 ~~available to the school district, except monies provided by the state, so that the total revenue~~
1191 ~~from the combined revenue sources equals the amount of revenue that would be generated by a~~
1192 ~~tax rate of .000056.]~~

1193 (d) To fully participate in the Low Income Students Program, a school district shall~~[(i)~~
1194 ~~levy a tax rate of .000065 under Section 53A-17a-151;(ii)]~~ allocate to the program ~~[other]~~
1195 monies available to the school district, except monies provided by the state, equal to the
1196 amount of revenue that would be generated by a tax rate of .000065~~;~~~~or~~.

1197 ~~[(iii) levy a tax under Section 53A-17a-151 and allocate to the program other monies~~
1198 ~~available to the school district, except monies provided by the state, so that the total revenue~~
1199 ~~from the combined revenue sources equals the amount of revenue that would be generated by a~~
1200 ~~tax rate of .000065.]~~

1201 (e) (i) The State Board of Education shall verify that a school district allocates the
1202 monies required in accordance with Subsections (8)(c) and (d) before it distributes funds in
1203 accordance with this section.

1204 (ii) The State Tax Commission shall provide the State Board of Education the
1205 information the State Board of Education needs to comply with Subsection (8)(e)(i).

1206 (9) (a) A school district that fully participates in the Guarantee Program shall receive
1207 state funds in an amount that is:

1208 (i) equal to the difference between \$21 times the district's total WPU's and the revenue
1209 the school district is required to generate or allocate under Subsection (8)(c) to fully participate

1210 in the Guarantee Program; and

1211 (ii) not less than \$0.

1212 (b) An elementary charter school shall receive under the Guarantee Program an amount
1213 equal to \$21 times the school's total WPUs.

1214 (10) The State Board of Education shall distribute Low Income Students Program
1215 funds in an amount proportionate to the number of students in each school district or charter
1216 school who qualify for free or reduced price school lunch multiplied by two.

1217 (11) A school district that partially participates in the Guarantee Program or Low
1218 Income Students Program shall receive program funds based on the amount of district revenue
1219 generated for or allocated to the program as a percentage of the amount of revenue that could
1220 have been generated or allocated if the district had fully participated in the program.

1221 (12) (a) Each school district and charter school shall use program monies for reading
1222 proficiency improvement in grades kindergarten through grade three.

1223 (b) Program monies may not be used to supplant funds for existing programs, but may
1224 be used to augment existing programs.

1225 (13) (a) Each school district and charter school shall annually submit a report to the
1226 State Board of Education accounting for the expenditure of program monies in accordance with
1227 its plan for reading proficiency improvement.

1228 (b) If a school district or charter school uses program monies in a manner that is
1229 inconsistent with Subsection (12), the school district or charter school is liable for reimbursing
1230 the State Board of Education for the amount of program monies improperly used, up to the
1231 amount of program monies received from the State Board of Education.

1232 (14) (a) The State Board of Education shall make rules to implement the program.

1233 (b) (i) The rules under Subsection (14)(a) shall require each school district or charter
1234 school to annually report progress in meeting goals stated in the district's or charter school's
1235 plan for student reading proficiency as measured by gain scores.

1236 (ii) If a school district or charter school does not meet or exceed the goals, the school
1237 district or charter school shall prepare a new plan which corrects deficiencies. The new plan
1238 must be approved by the State Board of Education before the school district or charter school
1239 receives an allocation for the next year.

1240 ~~[(15) If after 36 months of program operation, a school district fails to meet goals~~

1241 ~~stated in the district's plan for student reading proficiency as measured by gain scores, the~~
1242 ~~school district shall terminate any levy imposed under Section 53A-17a-151.]~~

1243 Section 25. Section **53A-17a-164** is enacted to read:

1244 **53A-17a-164. Board local discretionary levy -- State guarantee.**

1245 (1) As used in this section:

1246 (a) "Basic levy increment" means an amount equal to the difference of:

1247 (i) the amount of revenue that would be generated within a school district by the
1248 imposition of the certified revenue levy described in Section 53A-17a-103 for the current
1249 calendar year; and

1250 (ii) the estimated amount of revenue to be generated within the school district by the
1251 imposition of the minimum basic tax rate levied in accordance with Section 53A-17a-135
1252 during the current calendar year.

1253 (b) "Board property tax revenue" means:

1254 (i) for the calendar year beginning on January 1, 2011, an amount equal to the sum of
1255 the following:

1256 (A) the amount of revenue generated during the taxable year beginning on January 1,
1257 2010, from the sum of the following levies of a school district:

1258 (I) Section 11-2-7;

1259 (II) Section 53A-17a-127;

1260 (III) Section 53A-17a-134;

1261 (IV) Section 53A-17a-143;

1262 (V) the portion of the 10% of basic levy described in Section 53A-17a-145 that is
1263 budgeted for textbooks, supplies, maintenance, and operations;

1264 (VI) Section 53A-17a-151; and

1265 (VII) Section 63G-7-704; and

1266 (B) an amount of revenue equal to the product of:

1267 (I) new growth as defined in Subsection 59-2-924(4)(c); and

1268 (II) Subsection (1)(b)(i)(A); or

1269 (ii) for a calendar year beginning on or after January 1, 2012, an amount equal to the
1270 sum of the following:

1271 (A) the amount of revenue generated during the prior taxable year by the school

1272 district's board local discretionary levy; and
1273 (B) an amount of revenue equal to the product of:
1274 (I) new growth as defined in Subsection 59-2-924(4)(c); and
1275 (II) Subsection (1)(b)(ii)(A).
1276 (c) "Certified tax rate" means a school district's certified tax rate calculated in
1277 accordance with Section 59-2-924.
1278 (d) "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 same calendar year.
1285 (e) "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 (f) "WPU distribution from the basic levy increase" means the revenue distributed to a
1289 school district from the minimum school program under Title 53A, Chapter 17a, Part 1,
1290 Minimum School Program, as a result of the increased revenue generated statewide from the
1291 minimum basic levy described in Subsection (1)(d).
1292 (2) (a) Subject to the other requirements of this section, for a taxable year beginning on
1293 or after January 1, 2011, a local school board may levy a tax to fund the school district's
1294 general fund.
1295 (b) A tax rate imposed by a school district pursuant to this section may not exceed
1296 .0012 per dollar of taxable value in any fiscal year.
1297 (3) (a) In addition to the revenue a school district collects from the imposition of a levy
1298 pursuant to this section, the state shall contribute an amount sufficient to guarantee \$25.25 per
1299 weighted pupil unit for each .0001 of the first .0004 per dollar of taxable value.
1300 (b) (i) Beginning July 1, 2009, the \$25.25 guarantee under Subsection (3)(a) shall be
1301 indexed each year to the value of the weighted pupil unit by making the value of the guarantee
1302 equal to .009798 times the value of the prior year's weighted pupil unit.

1303 (ii) The guarantee shall increase by .0005 times the value of the prior year's weighted
1304 pupil unit for each succeeding year until the guarantee is equal to .010544 times the value of
1305 the prior year's weighted pupil unit.

1306 (c) (i) The amount of state guarantee money to which a school district would otherwise
1307 be entitled to under this Subsection (3) may not be reduced for the sole reason that the district's
1308 levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924
1309 pursuant to changes in property valuation.

1310 (ii) Subsection (3)(c)(i) applies for a period of five years following any such change in
1311 the certified tax rate.

1312 (4) For fiscal year 2011-12, a school district is exempt from the public notice and
1313 hearing requirements of Section 59-2-919 for the school district's board local discretionary levy
1314 if the school district budgets an amount of ad valorem property tax revenue equal to or less
1315 than the school district's board property tax revenue.

1316 (5) For a fiscal year beginning on or after fiscal year 2012-13, a school district is
1317 exempt from the public notice and hearing requirements of Section 59-2-919 for the school
1318 district's board local discretionary levy if the school district budgets an amount of ad valorem
1319 property tax revenue equal to or less than the difference of the following:

1320 (a) the school district's board property tax revenue; minus

1321 (b) the greater of:

1322 (i) the school district's estimated WPU distribution from the basic levy increase
1323 described in Subsection (1)(f) during the current calendar year; or

1324 (ii) the school district's basic levy increment described in Subsection (1)(a) for the
1325 same calendar year.

1326 Section 26. Section **53A-21-101.5** is amended to read:

1327 **53A-21-101.5. Definitions.**

1328 As used in this chapter:

1329 (1) "ADM" or "pupil in average daily membership" is as defined in Section
1330 53A-17a-103.

1331 (2) "Combined capital levy rate" means a rate that includes the sum of the following
1332 property tax levies:

1333 (a) the capital ~~[outlay]~~ discretionary levy authorized in Section ~~[53A-16-107;]~~

1334 53A-16-113; and

1335 ~~[(b) the portion of the 10% of basic levy described in Section 53A-17a-145 that is~~

1336 ~~budgeted for debt service or capital outlay;]~~

1337 ~~[(c)]~~ (b) the debt service levy authorized in Section 11-14-310~~[-and]~~.

1338 ~~[(d) the voted capital outlay leeway authorized in Section 53A-16-110.]~~

1339 (3) "Derived net taxable value" means the quotient of:

1340 (a) the total current property tax collections from April 1 through the following March
1341 31 for a school district; divided by

1342 (b) the school district's total tax rate for the calendar year preceding the March 31
1343 referenced in Subsection (3)(a).

1344 (4) "Highest combined capital levy rate" means the highest combined capital levy rate
1345 imposed by any school district within the state for a fiscal year.

1346 (5) "Property tax base per ADM" means the quotient of:

1347 (a) a school district's derived net taxable value; divided by

1348 (b) the school district's ADM for the same year.

1349 (6) "Property tax yield per ADM" means:

1350 (a) the product of:

1351 (i) a school district's derived net taxable value; and

1352 (ii) the highest combined capital levy rate for the fiscal year of the March 31 referenced
1353 in Subsection (3)(a); divided by

1354 (b) the school district's ADM for the same fiscal year.

1355 (7) "Statewide average property tax base per ADM" means the quotient of:

1356 (a) the sum of all school districts' derived net taxable value; divided by

1357 (b) the sum of all school districts' ADM statewide for the same year.

1358 Section 27. Section **59-2-904** is amended to read:

1359 **59-2-904. Participation by district in state's contributions to state-supported**
1360 **guarantees.**

1361 In addition to the basic state contribution provided in Section 59-2-902, each school
1362 district may participate in the state's contributions to the state-supported ~~[leeway program]~~

1363 board and voted local discretionary levy guarantees by conforming to the requirements of the

1364 Minimum School Program Act and by making the required additional levy. Each district shall

1365 participate in the state-supported [~~leeway program~~] board and voted local discretionary levy
 1366 guarantees, and certify to the State Board of Education the results of its determination and the
 1367 amount of [~~additional levy~~] the board and voted local discretionary levies which the district
 1368 will impose.

1369 Section 28. Section **59-2-924 (Effective 01/01/10)** is amended to read:

1370 **59-2-924 (Effective 01/01/10). Report of valuation of property to county auditor**
 1371 **and commission -- Transmittal by auditor to governing bodies -- Certified tax rate --**
 1372 **Calculation of certified tax rate -- Rulemaking authority -- Adoption of tentative budget.**

1373 (1) Before June 1 of each year, the county assessor of each county shall deliver to the
 1374 county auditor and the commission the following statements:

1375 (a) a statement containing the aggregate valuation of all taxable real property assessed
 1376 by a county assessor in accordance with Part 3, County Assessment, for each taxing entity; and

1377 (b) a statement containing the taxable value of all personal property assessed by a
 1378 county assessor in accordance with Part 3, County Assessment, from the prior year end values.

1379 (2) The county auditor shall, on or before June 8, transmit to the governing body of
 1380 each taxing entity:

1381 (a) the statements described in Subsections (1)(a) and (b);

1382 (b) an estimate of the revenue from personal property;

1383 (c) the certified tax rate; and

1384 (d) all forms necessary to submit a tax levy request.

1385 (3) (a) The "certified tax rate" means a tax rate that will provide the same ad valorem
 1386 property tax revenues for a taxing entity as were budgeted by that taxing entity for the prior
 1387 year.

1388 (b) For purposes of this Subsection (3):

1389 (i) "Ad valorem property tax revenues" do not include:

1390 (A) interest;

1391 (B) penalties; and

1392 (C) revenue received by a taxing entity from personal property that is:

1393 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and

1394 (II) semiconductor manufacturing equipment.

1395 (ii) "Aggregate taxable value of all property taxed" means:

1396 (A) the aggregate taxable value of all real property assessed by a county assessor in
1397 accordance with Part 3, County Assessment, for the current year;

1398 (B) the aggregate taxable year end value of all personal property assessed by a county
1399 assessor in accordance with Part 3, County Assessment, for the prior year; and

1400 (C) the aggregate taxable value of all real and personal property assessed by the
1401 commission in accordance with Part 2, Assessment of Property, for the current year.

1402 (c) (i) Except as otherwise provided in this section, the certified tax rate shall be
1403 calculated by dividing the ad valorem property tax revenues budgeted for the prior year by the
1404 taxing entity by the amount calculated under Subsection (3)(c)(ii).

1405 (ii) For purposes of Subsection (3)(c)(i), the legislative body of a taxing entity shall
1406 calculate an amount as follows:

1407 (A) calculate for the taxing entity the difference between:

1408 (I) the aggregate taxable value of all property taxed; and

1409 (II) any redevelopment adjustments for the current calendar year;

1410 (B) after making the calculation required by Subsection (3)(c)(ii)(A), calculate an
1411 amount determined by increasing or decreasing the amount calculated under Subsection
1412 (3)(c)(ii)(A) by the average of the percentage net change in the value of taxable property for the
1413 equalization period for the three calendar years immediately preceding the current calendar
1414 year;

1415 (C) after making the calculation required by Subsection (3)(c)(ii)(B), calculate the
1416 product of:

1417 (I) the amount calculated under Subsection (3)(c)(ii)(B); and

1418 (II) the percentage of property taxes collected for the five calendar years immediately
1419 preceding the current calendar year; and

1420 (D) after making the calculation required by Subsection (3)(c)(ii)(C), calculate an
1421 amount determined by subtracting from the amount calculated under Subsection (3)(c)(ii)(C)
1422 any new growth as defined in this section:

1423 (I) within the taxing entity; and

1424 (II) for the following calendar year:

1425 (Aa) for new growth from real property assessed by a county assessor in accordance
1426 with Part 3, County Assessment and all property assessed by the commission in accordance

- 1427 with Section 59-2-201, the current calendar year; and
- 1428 (Bb) for new growth from personal property assessed by a county assessor in
1429 accordance with Part 3, County Assessment, the prior calendar year.
- 1430 (iii) For purposes of Subsection (3)(c)(ii)(A), the aggregate taxable value of all
1431 property taxed:
- 1432 (A) except as provided in Subsection (3)(c)(iii)(B) or (3)(c)(ii)(C), is as defined in
1433 Subsection (3)(b)(ii);
- 1434 (B) does not include the total taxable value of personal property contained on the tax
1435 rolls of the taxing entity that is:
- 1436 (I) assessed by a county assessor in accordance with Part 3, County Assessment; and
1437 (II) semiconductor manufacturing equipment; and
- 1438 (C) for personal property assessed by a county assessor in accordance with Part 3,
1439 County Assessment, the taxable value of personal property is the year end value of the personal
1440 property contained on the prior year's tax rolls of the entity.
- 1441 (iv) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after
1442 January 1, 2007, the value of taxable property does not include the value of personal property
1443 that is:
- 1444 (A) within the taxing entity assessed by a county assessor in accordance with Part 3,
1445 County Assessment; and
- 1446 (B) semiconductor manufacturing equipment.
- 1447 (v) For purposes of Subsection (3)(c)(ii)(C)(II), for calendar years beginning on or after
1448 January 1, 2007, the percentage of property taxes collected does not include property taxes
1449 collected from personal property that is:
- 1450 (A) within the taxing entity assessed by a county assessor in accordance with Part 3,
1451 County Assessment; and
- 1452 (B) semiconductor manufacturing equipment.
- 1453 (vi) For purposes of Subsection (3)(c)(ii)(B), for calendar years beginning on or after
1454 January 1, 2009, the value of taxable property does not include the value of personal property
1455 that is within the taxing entity assessed by a county assessor in accordance with Part 3, County
1456 Assessment.
- 1457 (vii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,

1458 the commission may prescribe rules for calculating redevelopment adjustments for a calendar
1459 year.

1460 (viii) (A) For purposes of Subsection (3)(c)(i), for a calendar year beginning on or after
1461 January 1, 2010, a taxing entity's ad valorem property tax revenues budgeted for the prior year
1462 shall be decreased by an amount of revenue equal to the five-year average of the most recent
1463 prior five years of redemptions as reported on the county treasurer's final annual settlement
1464 required under Subsection 59-2-1365(2).

1465 (B) For the calendar year beginning on January 1, 2010 and ending on December 31,
1466 2010, a taxing entity is exempt from the notice and public hearing provisions of Section
1467 59-2-919 if the taxing entity budgets an increased amount of ad valorem property tax revenue
1468 equal to or less than the taxing entity's five-year average of the most recent prior five years of
1469 redemptions as reported on the county treasurer's final annual settlement required under
1470 Subsection 59-2-1365(2).

1471 (d) (i) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
1472 the commission shall make rules determining the calculation of ad valorem property tax
1473 revenues budgeted by a taxing entity.

1474 (ii) For purposes of Subsection (3)(d)(i), ad valorem property tax revenues budgeted by
1475 a taxing entity shall be calculated in the same manner as budgeted property tax revenues are
1476 calculated for purposes of Section 59-2-913.

1477 (e) The certified tax rates for the taxing entities described in this Subsection (3)(e) shall
1478 be calculated as follows:

1479 (i) except as provided in Subsection (3)(e)(ii), for new taxing entities the certified tax
1480 rate is zero;

1481 (ii) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

1482 (A) in a county of the first, second, or third class, the levy imposed for municipal-type
1483 services under Sections 17-34-1 and 17-36-9; and

1484 (B) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
1485 purposes and such other levies imposed solely for the municipal-type services identified in
1486 Section 17-34-1 and Subsection 17-36-3(22); and

1487 (iii) for debt service voted on by the public, the certified tax rate shall be the actual
1488 levy imposed by that section, except that the certified tax rates for the following levies shall be

1489 calculated in accordance with Section 59-2-913 and this section:

1490 (A) school [~~leeways~~] levies provided for under Sections [~~11-2-7, 53A-16-110,~~
1491 ~~53A-17a-127, 53A-17a-133, 53A-17a-134, 53A-17a-143, and 53A-17a-145~~] 53A-16-113,
1492 53A-17a-133, and 53A-17a-164; and

1493 (B) levies to pay for the costs of state legislative mandates or judicial or administrative
1494 orders under Section 59-2-1604.

1495 (f) (i) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 shall be
1496 established at that rate which is sufficient to generate only the revenue required to satisfy one
1497 or more eligible judgments, as defined in Section 59-2-102.

1498 (ii) The ad valorem property tax revenue generated by the judgment levy shall not be
1499 considered in establishing the taxing entity's aggregate certified tax rate.

1500 (g) The ad valorem property tax revenue generated by the capital [~~outlay~~] discretionary
1501 levy described in Section [~~53A-16-107~~] 53A-16-113 within a taxing entity in a county of the
1502 first class:

1503 (i) may not be considered in establishing the school district's aggregate certified tax
1504 rate; and

1505 (ii) shall be included by the commission in establishing a certified tax rate for that
1506 capital [~~outlay~~] discretionary levy determined in accordance with the calculation described in
1507 Subsection 59-2-913(3).

1508 (4) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

1509 (i) the taxable value of real property assessed by a county assessor contained on the
1510 assessment roll;

1511 (ii) the taxable value of real and personal property assessed by the commission; and

1512 (iii) the taxable year end value of personal property assessed by a county assessor
1513 contained on the prior year's assessment roll.

1514 (b) For purposes of Subsection (4)(a)(i), the taxable value of real property on the
1515 assessment roll does not include new growth as defined in Subsection (4)(c).

1516 (c) "New growth" means:

1517 (i) the difference between the increase in taxable value of the following property of the
1518 taxing entity from the previous calendar year to the current year:

1519 (A) real property assessed by a county assessor in accordance with Part 3, County

1520 Assessment; and

1521 (B) property assessed by the commission under Section 59-2-201; plus

1522 (ii) the difference between the increase in taxable year end value of personal property

1523 of the taxing entity from the year prior to the previous calendar year to the previous calendar

1524 year; minus

1525 (iii) the amount of an increase in taxable value described in Subsection (4)(e).

1526 (d) For purposes of Subsection (4)(c)(ii), the taxable value of personal property of the

1527 taxing entity does not include the taxable value of personal property that is:

1528 (i) contained on the tax rolls of the taxing entity if that property is assessed by a county

1529 assessor in accordance with Part 3, County Assessment; and

1530 (ii) semiconductor manufacturing equipment.

1531 (e) Subsection (4)(c)(iii) applies to the following increases in taxable value:

1532 (i) the amount of increase to locally assessed real property taxable values resulting

1533 from factoring, reappraisal, or any other adjustments; or

1534 (ii) the amount of an increase in the taxable value of property assessed by the

1535 commission under Section 59-2-201 resulting from a change in the method of apportioning the

1536 taxable value prescribed by:

1537 (A) the Legislature;

1538 (B) a court;

1539 (C) the commission in an administrative rule; or

1540 (D) the commission in an administrative order.

1541 (f) For purposes of Subsection (4)(a)(ii), the taxable year end value of personal

1542 property on the prior year's assessment roll does not include:

1543 (i) new growth as defined in Subsection (4)(c); or

1544 (ii) the total taxable year end value of personal property contained on the prior year's

1545 tax rolls of the taxing entity that is:

1546 (A) assessed by a county assessor in accordance with Part 3, County Assessment; and

1547 (B) semiconductor manufacturing equipment.

1548 (5) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.

1549 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county

1550 auditor of:

- 1551 (i) its intent to exceed the certified tax rate; and
 1552 (ii) the amount by which it proposes to exceed the certified tax rate.
 1553 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
 1554 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

1555 Section 29. Section **59-2-924.3** is amended to read:

1556 **59-2-924.3. Adjustment of the calculation of the certified tax rate for a school**
 1557 **district imposing a capital discretionary levy in a county of the first class.**

1558 (1) As used in this section:

1559 (a) "Capital [~~outlay~~] discretionary levy increment" means the amount of revenue equal
 1560 to the difference between:

1561 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
 1562 within a school district during a fiscal year; and

1563 (ii) the amount of revenue the school district received during the same fiscal year from
 1564 the distribution described in Subsection [~~53A-16-107.1~~] 53A-16-114(1).

1565 (b) "Contributing school district" means a school district in a county of the first class
 1566 that in a fiscal year receives less revenue from the distribution described in Subsection
 1567 [~~53A-16-107.1~~] 53A-16-114(1) than it would have received during the same fiscal year from a
 1568 levy imposed within the school district of .0006 per dollar of taxable value.

1569 (c) "Receiving school district" means a school district in a county of the first class that
 1570 in a fiscal year receives more revenue from the distribution described in Subsection
 1571 [~~53A-16-107.1~~] 53A-16-114(1) than it would have received during the same fiscal year from a
 1572 levy imposed within the school district of .0006 per dollar of taxable value.

1573 [~~(2) For fiscal year 2009-10, a receiving school district shall decrease its capital outlay~~
 1574 ~~certified tax rate under Subsection 59-2-924(3)(g)(ii) by an amount required to offset the~~
 1575 ~~receiving school district's estimated capital outlay increment for the current fiscal year.]~~

1576 [(~~3~~)] (2) Beginning with fiscal year 2010-11, a receiving school district shall decrease
 1577 its capital [~~outlay~~] discretionary levy certified tax rate under Subsection 59-2-924(3)(g)(ii) by
 1578 the amount required to offset the receiving school district's [~~capital outlay~~] estimated capital
 1579 discretionary levy increment for the prior fiscal year.

1580 [(~~4~~)] For fiscal year 2009-10, a contributing school district is exempt from the notice
 1581 and public hearing provisions of Section 59-2-919 for the school district's capital outlay levy

1582 ~~certified tax rate calculated pursuant to Subsection 59-2-924(3)(g)(ii) if:]~~

1583 ~~[(a) the contributing school district budgets an increased amount of ad valorem~~
 1584 ~~property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the~~
 1585 ~~capital outlay levy described in Section 53A-16-107; and]~~

1586 ~~[(b) the increased amount of ad valorem property tax revenue described in Subsection~~
 1587 ~~(4)(a) is less than or equal to that contributing school district's estimated capital outlay~~
 1588 ~~increment for the current fiscal year.]~~

1589 ~~[(5)] (3)~~ Beginning with fiscal year 2010-11, a contributing school district is exempt
 1590 from the notice and public hearing provisions of Section 59-2-919 for the school district's
 1591 capital ~~[outlay]~~ discretionary levy certified tax rate calculated pursuant to Subsection
 1592 59-2-924(3)(g)(ii) if:

1593 (a) the contributing school district budgets an increased amount of ad valorem property
 1594 tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the capital
 1595 ~~[outlay]~~ discretionary levy described in Section ~~[53A-16-107]~~ 53A-16-113; and

1596 (b) the increased amount of ad valorem property tax revenue described in Subsection
 1597 ~~[(5)] (3)~~(a) is less than or equal to that contributing school district's capital ~~[outlay]~~
 1598 discretionary levy increment for the prior year.

1599 ~~[(6)] (4)~~ Beginning with fiscal year 2011-12, a contributing school district is exempt
 1600 from the notice and public hearing provisions of Section 59-2-919 for the school district's
 1601 capital ~~[outlay]~~ discretionary levy certified tax rate calculated pursuant to Subsection
 1602 59-2-924(3)(g)(ii) if:

1603 (a) the contributing school district budgets an increased amount of ad valorem property
 1604 tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the capital
 1605 ~~[outlay]~~ discretionary levy described in Section ~~[53A-16-107]~~ 53A-16-113; and

1606 (b) the increased amount of ad valorem property tax revenue described in Subsection
 1607 ~~[(6)] (4)~~(a) is less than or equal to the difference between:

1608 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
 1609 imposed within the contributing school district during the current taxable year; and

1610 (ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value
 1611 imposed within the contributing school district during the prior taxable year.

1612 ~~[(7)] (5)~~ Regardless of the amount a school district receives from the revenue collected

1613 from the .0006 portion of the capital [~~outlay~~] discretionary levy required in Subsection
1614 [~~53A-16-107(3)~~] 53A-16-113(4), the revenue generated within the school district from the
1615 .0006 portion of the capital [~~outlay~~] discretionary levy required in Subsection [~~53A-16-107(3)~~]
1616 53A-16-113(4) shall be considered to be budgeted ad valorem property tax revenues of the
1617 school district that levies the .0006 portion of the capital [~~outlay~~] discretionary levy for
1618 purposes of calculating the school district's certified tax rate in accordance with Subsection
1619 59-2-924(3)(g)(ii).

1620 Section 30. Section **59-2-924.4** is amended to read:

1621 **59-2-924.4. Adjustment of the calculation of the certified tax rate for certain**
1622 **divided school districts.**

1623 (1) As used in this section:

1624 (a) "Capital [~~outlay~~] discretionary levy increment" means the amount of revenue equal
1625 to the difference between:

1626 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1627 within a qualifying divided school district during a fiscal year; and

1628 (ii) the amount of revenue the qualifying divided school district received during the
1629 same fiscal year from the distribution described in Section 53A-2-118.3.

1630 (b) "Contributing divided school district" means a school district located within a
1631 qualifying divided school district that in a fiscal year receives less revenue from the distribution
1632 described in Section 53A-2-118.3 than it would have received during the same fiscal year from
1633 a levy imposed within the school district of .0006 per dollar of taxable value.

1634 (c) "Divided school district" means a school district from which a new school district is
1635 created.

1636 (d) "New school district" means a school district:

1637 (i) created under Section 53A-2-118.1;

1638 (ii) that begins to provide educational services after July 1, 2008; and

1639 (iii) located in a qualifying divided school district.

1640 (e) "Qualifying divided school district" means a divided school district:

1641 (i) located within a county of the second through sixth class; and

1642 (ii) with a new school district created under Section 53A-2-118.1 that begins to provide
1643 educational services after July 1, 2008.

1644 (f) "Qualifying fiscal year" means the first fiscal year that a new school district begins
1645 to provide educational services.

1646 (g) "Receiving divided school district" means a school district located within a
1647 qualifying divided school district that in a fiscal year receives more revenue from the
1648 distribution described in Section 53A-2-118.3 than it would have received during the same
1649 fiscal year from a levy imposed within the school district of .0006 per dollar of taxable value.

1650 (2) A receiving divided school district shall decrease its certified tax rate calculated in
1651 accordance with Section 59-2-924 by the amount required to offset the receiving divided
1652 school district's capital [~~outlay~~] discretionary levy increment for the prior fiscal year.

1653 (3) Beginning with the fiscal year after the qualifying fiscal year, a contributing divided
1654 school district is exempt from the notice and public hearing provisions of Section 59-2-919 for
1655 the contributing divided school district's certified tax rate calculated pursuant to Section
1656 59-2-924 if:

1657 (a) the contributing divided school district budgets an increased amount of ad valorem
1658 property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the
1659 capital [~~outlay~~] discretionary levy required in Section 53A-2-118.3; and

1660 (b) the increased amount of ad valorem property tax revenue described in Subsection
1661 (3)(a) is less than or equal to that contributing divided school district's capital [~~outlay~~]
1662 discretionary levy increment for the prior year.

1663 (4) Beginning with the fiscal year after the qualifying fiscal year, a contributing divided
1664 school district is exempt from the notice and public hearing provisions of Section 59-2-919 for
1665 the contributing divided school district's certified tax rate calculated pursuant to Section
1666 59-2-924 if:

1667 (a) the contributing divided school district budgets an increased amount of ad valorem
1668 property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the
1669 capital [~~outlay~~] discretionary levy described in Section 53A-2-118.3; and

1670 (b) the increased amount of ad valorem property tax revenue described in Subsection
1671 (4)(a) is less than or equal to the difference between:

1672 (i) the amount of revenue generated by a levy of .0006 per dollar of taxable value
1673 imposed within the contributing divided school district during the current taxable year; and

1674 (ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value

1675 imposed within the contributing divided school district during the prior taxable year.

1676 (5) Regardless of the amount a school district receives from the revenue collected from
 1677 the .0006 portion of the capital ~~[outlay]~~ discretionary levy described in Section 53A-2-118.3,
 1678 the revenue generated within the school district from the .0006 portion of the capital outlay
 1679 levy described in Section 53A-2-118.3 shall be considered to be budgeted ad valorem property
 1680 tax revenues of the school district that levies the .0006 portion of the capital ~~[outlay]~~
 1681 discretionary levy for purposes of calculating the school district's certified tax rate in
 1682 accordance with Section 59-2-924.

1683 Section 31. Section **59-2-926** is amended to read:

1684 **59-2-926. Proposed tax increase by state -- Notice -- Contents -- Dates.**

1685 If the state authorizes a levy ~~[pursuant to Section 53A-17a-135 that exceeds the~~
 1686 ~~certified revenue levy as defined in Section 53A-17a-103 or authorizes a levy]~~ pursuant to
 1687 Section 59-2-1602 that exceeds the certified revenue levy as defined in Section 59-2-102, the
 1688 state shall publish a notice no later than ten days after the last day of the annual legislative
 1689 general session that meets the following requirements:

1690 (1) (a) The Office of the Legislative Fiscal Analyst shall advertise that the state
 1691 authorized a levy that generates revenue in excess of the previous year's ad valorem tax
 1692 revenue, plus new growth, but exclusive of revenue from collections from redemptions,
 1693 interest, and penalties:

1694 (i) in a newspaper of general circulation in the state; and

1695 (ii) as required in Section 45-1-101.

1696 (b) Except an advertisement published on a website, the advertisement described in
 1697 Subsection (1)(a):

1698 (i) shall be no less than 1/4 page in size and the type used shall be no smaller than 18
 1699 point, and surrounded by a 1/4-inch border:

1700 (ii) may not be placed in that portion of the newspaper where legal notices and
 1701 classified advertisements appear; and

1702 (iii) shall be run once.

1703 (2) The form and content of the notice shall be substantially as follows:

1704 "NOTICE OF TAX INCREASE

1705 The state has budgeted an increase in its property tax revenue from \$_____ to

1706 \$_____ or ____%. The increase in property tax revenues will come from the following
 1707 sources (include all of the following provisions):

1708 (a) \$_____ of the increase will come from (provide an explanation of the cause
 1709 of adjustment or increased revenues, such as reappraisals or factoring orders);

1710 (b) \$_____ of the increase will come from natural increases in the value of the
 1711 tax base due to (explain cause of new growth, such as new building activity, annexation, etc.);

1712 (c) a home valued at \$100,000 in the state of Utah which based on last year's (~~levy for~~
 1713 ~~the basic state-supported school program;~~) levy for the Property Tax Valuation Agency Fund,
 1714 [~~or both~~] paid \$_____ in property taxes would pay the following:

1715 (i) \$_____ if the state of Utah did not budget an increase in property tax revenue
 1716 exclusive of new growth; and

1717 (ii) \$_____ under the increased property tax revenues exclusive of new growth
 1718 budgeted by the state of Utah."

1719 Section 32. Section **63G-7-704** is amended to read:

1720 **63G-7-704. Tax levy by political subdivisions for payment of claims, judgments,**
 1721 **or insurance premiums.**

1722 (1) For purposes of this section, "political subdivision" does not include a school
 1723 district.

1724 [~~(1)~~] (2) Notwithstanding any provision of law to the contrary, a political subdivision
 1725 may levy an annual property tax sufficient to pay:

1726 (a) any claim, settlement, or judgment;

1727 (b) the costs to defend against any claim, settlement, or judgment; or

1728 (c) for the establishment and maintenance of a reserve fund for the payment of claims,
 1729 settlements, or judgments that may be reasonably anticipated.

1730 [~~(2)~~] (3) (a) The payments authorized to pay for punitive damages or to pay the
 1731 premium for authorized insurance is money spent for a public purpose within the meaning of
 1732 this section and Article XIII, Sec. 5, Utah Constitution, even though, as a result of the levy, the
 1733 maximum levy as otherwise restricted by law is exceeded.

1734 (b) No levy under this section may exceed .0001 per dollar of taxable value of taxable
 1735 property.

1736 (c) The revenues derived from this levy may not be used for any purpose other than

- 1737 those specified in this section.
- 1738 Section 33. **Repealer.**
- 1739 This bill repeals:
- 1740 Section **53A-16-107, Capital outlay levy -- Maintenance of school facilities --**
- 1741 **Authority to use proceeds of .0002 tax rate -- Restrictions and procedure.**
- 1742 Section **53A-16-110, Special tax to buy school building sites, build and furnish**
- 1743 **schoolhouses, or improve school property.**
- 1744 Section **53A-16-111, Payment of judgments and warrants -- Special tax.**
- 1745 Section **53A-17a-134, Board-approved leeway -- Purpose -- State support --**
- 1746 **Disapproval.**
- 1747 Section **53A-17a-145, Additional levy by district for debt service, school sites,**
- 1748 **buildings, buses, textbooks, and supplies.**
- 1749 Section **53A-17a-151, Board leeway for reading improvement.**
- 1750 Section 34. **Effective date.**
- 1751 This bill takes effect on January 1, 2011.