

VOTED AND BOARD LEEWAY MODIFICATIONS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Joel K. Briscoe

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends school district property tax provisions regarding the voted and board leeways.

Highlighted Provisions:

This bill:

▶ increases the amount of state guarantee money that a school district may receive from the voted local levy guarantee program by increasing the maximum rate the state will guarantee over a certain number of years; and

▶ increases the combined maximum rate the state will guarantee for the voted local levy guarantee program and the board local levy guarantee program over a certain number of years.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

53A-17a-133, as last amended by Laws of Utah 2015, Chapter 287

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



28 Section 1. Section 53A-17a-133 is amended to read:

29 **53A-17a-133. State-supported voted local levy authorized -- Election**
30 **requirements -- State guarantee -- Reconsideration of the program.**

31 (1) As used in this section, "voted and board local levy funding balance" means the
32 difference between:

33 (a) the amount appropriated for the voted and board local levy program in a fiscal year;

34 and

35 (b) the amount necessary to provide the state guarantee per weighted pupil unit as
36 determined under this section and Section 53A-17a-164 in the same fiscal year.

37 (2) An election to consider adoption or modification of a voted local levy is required if
38 initiative petitions signed by 10% of the number of electors who voted at the last preceding
39 general election are presented to the local school board or by action of the board.

40 (3) (a) (i) To impose a voted local levy, a majority of the electors of a district voting at
41 an election in the manner set forth in Subsections (9) and (10) must vote in favor of a special
42 tax.

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

44 (b) Except as provided in Subsection (3)(c), in order to receive state support the first
45 year, a district must receive voter approval no later than December 1 of the year prior to
46 implementation.

47 (c) Beginning on or after January 1, 2012, a school district may receive state support in
48 accordance with Subsection (4) without complying with the requirements of Subsection (3)(b)
49 if the local school board imposed a tax in accordance with this section during the taxable year
50 beginning on January 1, 2011 and ending on December 31, 2011.

51 (4) (a) In addition to the revenue a school district collects from the imposition of a levy
52 pursuant to this section, the state shall contribute an amount sufficient to guarantee \$33.27 per
53 weighted pupil unit for each .0001 of the first ~~[-.0016]~~:

54 (i) .0017 per dollar of taxable value[-] for fiscal year 2017;

55 (ii) .0018 per dollar of taxable value for fiscal year 2018;

56 (iii) .0019 per dollar of taxable value for fiscal year 2019; and

57 (iv) .002 per dollar of taxable value for fiscal year 2020 and any succeeding fiscal year.

58 (b) The same dollar amount guarantee per weighted pupil unit for the ~~[-.0016]~~ per dollar

59 of taxable value [~~under~~] described in Subsection (4)(a) shall apply to the portion of the board
60 local levy authorized in Section [53A-17a-164](#), so that the guarantee shall apply up to a total of
61 [~~.002 per dollar of taxable value if a school district levies a tax rate under both programs.~~];

62 (i) .0021 per dollar of taxable value for fiscal year 2017;

63 (ii) .0022 per dollar of taxable value for fiscal year 2018;

64 (iii) .0023 per dollar of taxable value for fiscal year 2019; and

65 (iv) .0024 per dollar of taxable value for fiscal year 2020 and any succeeding fiscal
66 year.

67 (c) (i) Beginning July 1, 2015, the \$33.27 guarantee under Subsections (4)(a) and (b)
68 shall be indexed each year to the value of the weighted pupil unit for the grades 1 through 12
69 program by making the value of the guarantee equal to .011194 times the value of the prior
70 year's weighted pupil unit for the grades 1 through 12 program.

71 (ii) The guarantee shall increase by .0005 times the value of the prior year's weighted
72 pupil unit for the grades 1 through 12 program for each succeeding year subject to the
73 Legislature appropriating funds for an increase in the guarantee.

74 (d) (i) The amount of state guarantee money to which a school district would otherwise
75 be entitled to receive under this Subsection (4) may not be reduced for the sole reason that the
76 district's levy is reduced as a consequence of changes in the certified tax rate under Section
77 [59-2-924](#) pursuant to changes in property valuation.

78 (ii) Subsection (4)(d)(i) applies for a period of five years following any such change in
79 the certified tax rate.

80 (e) The guarantee provided under this section does not apply to the portion of a voted
81 local levy rate that exceeds the voted local levy rate that was in effect for the previous fiscal
82 year, unless an increase in the voted local levy rate was authorized in an election conducted on
83 or after July 1 of the previous fiscal year and before December 2 of the previous fiscal year.

84 (f) (i) If a voted and board local levy funding balance exists for the prior fiscal year, the
85 State Board of Education shall:

86 (A) use the voted and board local levy funding balance to increase the value of the state
87 guarantee per weighted pupil unit described in Subsection (4)(c) in the current fiscal year; and

88 (B) distribute the state contribution to the voted and board local levy programs to
89 school districts based on the increased value of the state guarantee per weighted pupil unit

90 described in Subsection (4)(f)(i)(A).

91 (ii) The State Board of Education shall report action taken under this Subsection (4)(f)
92 to the Office of the Legislative Fiscal Analyst and the Governor's Office of Planning and
93 Budget.

94 (5) (a) An election to modify an existing voted local levy is not a reconsideration of the
95 existing authority unless the proposition submitted to the electors expressly so states.

96 (b) A majority vote opposing a modification does not deprive the district of authority to
97 continue the levy.

98 (c) If adoption of a voted local levy is contingent upon an offset reducing other local
99 school board levies, the board must allow the electors, in an election, to consider modifying or
100 discontinuing the imposition of the levy prior to a subsequent increase in other levies that
101 would increase the total local school board levy.

102 (d) Nothing contained in this section terminates, without an election, the authority of a
103 school district to continue imposing an existing voted local levy previously authorized by the
104 voters as a voted leeway program.

105 (6) Notwithstanding Section 59-2-919, a school district may budget an increased
106 amount of ad valorem property tax revenue derived from a voted local levy imposed under this
107 section in addition to revenue from new growth as defined in Subsection 59-2-924(4), without
108 having to comply with the notice requirements of Section 59-2-919, if:

109 (a) the voted local levy is approved:

110 (i) in accordance with Subsections (9) and (10) on or after January 1, 2003; and

111 (ii) within the four-year period immediately preceding the year in which the school
112 district seeks to budget an increased amount of ad valorem property tax revenue derived from
113 the voted local levy; and

114 (b) for a voted local levy approved or modified in accordance with this section on or
115 after January 1, 2009, the school district complies with the requirements of Subsection (8).

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

119 (a) the levy exceeds the certified tax rate as the result of a school district budgeting an
120 increased amount of ad valorem property tax revenue derived from a voted local levy imposed

121 under this section;

122 (b) the voted local levy was approved:

123 (i) in accordance with Subsections (9) and (10) on or after January 1, 2003; and

124 (ii) within the four-year period immediately preceding the year in which the school
125 district seeks to budget an increased amount of ad valorem property tax revenue derived from
126 the voted local levy; and

127 (c) for a voted local levy approved or modified in accordance with this section on or
128 after January 1, 2009, the school district complies with requirements of Subsection (8).

129 (8) For purposes of Subsection (6)(b) or (7)(c), the proposition submitted to the
130 electors regarding the adoption or modification of a voted local levy shall contain the following
131 statement:

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

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

138 (b) The election required by this Subsection (9) shall be held:

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

141 (ii) at a municipal general election conducted in accordance with the procedures and
142 requirements of Section [20A-1-202](#); or

143 (iii) at a local special election conducted in accordance with the procedures and
144 requirements of Section [20A-1-203](#).

145 (c) Notwithstanding the requirements of Subsections (9)(a) and (b), beginning on or
146 after January 1, 2012, a school district may levy a tax rate in accordance with this section
147 without complying with the requirements of Subsections (9)(a) and (b) if the school district
148 imposed a tax in accordance with this section at any time during the taxable year beginning on
149 January 1, 2011, and ending on December 31, 2011.

150 (10) If a school district determines that a majority of the school district's registered
151 voters voting on the imposition of the tax rate have voted in favor of the imposition of the tax

152 rate in accordance with Subsection (9), the school district may impose the tax rate.

153 Section 2. **Effective date.**

154 This bill takes effect on July 1, 2016.

Legislative Review Note
Office of Legislative Research and General Counsel