

SCHOOL DISTRICT PROPERTY TAX AMENDMENTS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Howard A. Stephenson

House Sponsor: David E. Lifferth

LONG TITLE

General Description:

This bill modifies requirements for the imposition of property taxes in a new district and remaining school district after a school district split.

Highlighted Provisions:

This bill:

- ▶ removes the time limit on the requirement that a new district and remaining district continue to impose property tax levies that were imposed by the divided school district in the taxable year prior to the calendar year in which a new district begins to provide educational services.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

53A-2-118.4, as last amended by Laws of Utah 2012, Chapter 116

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

Section 1. Section **53A-2-118.4** is amended to read:

53A-2-118.4. Property tax levies in new district and remaining district --

Distribution of property tax revenue.

(1) As used in this section:

30 (a) "Divided school district" or "existing district" means a school district from which a
31 new district is created.

32 (b) "New district" means a school district created under Section 53A-2-118.1 after May
33 10, 2011.

34 (c) "Property tax levy" means a property tax levy that a school district is authorized to
35 impose, except:

36 (i) the minimum basic rate imposed under Section 53A-17a-135;

37 (ii) a debt service levy imposed under Section 11-14-310; or

38 (iii) a judgment levy imposed under Section 59-2-1330.

39 (d) "Qualifying taxable year" means the calendar year in which a new district begins to
40 provide educational services.

41 (e) "Remaining district" means an existing district after the creation of a new district.

42 (2) A new district and remaining district shall~~[- for a period of five consecutive years~~
43 ~~beginning in the qualifying taxable year,]~~ continue to impose property tax levies that were
44 imposed by the divided school district in the taxable year prior to the qualifying taxable year.

45 (3) Except as provided in Subsection (6), a property tax levy that a new district and
46 remaining district are required to impose under Subsection (2) shall be set at a rate that:

47 (a) is uniform in the new district and remaining district; and

48 (b) generates the same amount of revenue that was generated by the property tax levy
49 within the divided school district in the taxable year prior to the qualifying taxable year.

50 (4) (a) Except as provided in Subsection (4)(b), the county treasurer of the county in
51 which a property tax levy is imposed under Subsection (2) shall distribute revenues generated
52 by the property tax levy to the new district and remaining district in proportion to the
53 percentage of the divided school district's enrollment on the October 1 prior to the new district
54 commencing educational services that were enrolled in schools currently located in the new
55 district or remaining district.

56 (b) The county treasurer of a county of the first class shall distribute revenues
57 generated by a capital local levy of .0006 that a school district in a county of the first class is

58 required to impose under Section 53A-16-113 in accordance with the distribution method
59 specified in Section 53A-16-114.

60 (5) On or before March 31, a county treasurer shall distribute revenues generated by a
61 property tax levy imposed under Subsection (2) in the prior calendar year to a new district and
62 remaining district as provided in Subsection (4).

63 (6) (a) Subject to the notice and public hearing requirements of Section 59-2-919, a
64 new district or remaining district may set a property tax rate higher than the rate required by
65 Subsection (3), up to:

66 (i) the maximum rate, if any, allowed by law; or

67 (ii) the maximum rate authorized by voters for a voted local levy under Section
68 53A-17a-133.

69 (b) The revenues generated by the portion of a property tax rate in excess of the rate
70 required by Subsection (3) shall be retained by the district that imposes the higher rate.