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

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

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

(1) As used in this section:

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

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

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

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

(b) "District local property tax revenues" means the sum of a school district's revenue received from the following levies:

(i) (A) a voted levy imposed under Section [53A-17a-133](#);

(B) a board levy imposed under Section [53A-17a-134](#);

(C) a 10% of basic levy imposed under Section [53A-17a-145](#);

(D) a tort liability levy imposed under Section [63G-7-704](#);

(E) a capital outlay levy imposed under Section [53A-16-107](#); and

(F) a voted capital outlay levy imposed under Section [53A-16-110](#); or

(ii) (A) a voted local levy imposed under Section [53A-17a-133](#);

(B) a board local levy imposed under Section [53A-17a-164](#), excluding revenues expended for:

(I) recreational facilities and activities authorized under Title 11, Chapter 2, Playgrounds;

(II) pupil transportation, up to the amount of revenue generated by a .0003 per dollar of taxable value of the school district's board local levy; and

(III) the K-3 Reading Improvement Program, up to the amount of revenue generated by a .000121 per dollar of taxable value of the school district's board local levy; and

(C) a capital local levy imposed under Section [53A-16-113](#).

59 (c) "District per pupil local revenues" means an amount equal to the following, using
60 data from the most recently published school district annual financial reports and state
61 superintendent's annual report:

62 (i) district local property tax revenues; divided by

63 (ii) the sum of:

64 (A) a school district's average daily membership; and

65 (B) the average daily membership of a school district's resident students who attend
66 charter schools.

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

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

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

73 (ii) divide the sum calculated under Subsection (1)(e)(i) by statewide school district
74 average daily membership.

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

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

80 (3) (a) Except as provided in Subsections (3)(b) and (3)(c), a charter school shall
81 receive state funds, as applicable, on the same basis as a school district receives funds.

82 (b) For the 2013-14 and 2014-15 school years, the number of weighted pupil units
83 assigned to a charter school for the kindergarten and grades 1 through 12 programs of the Basic
84 School Program [~~shall be~~] is:

85 (i) based on the higher of:

86 (A) October 1 enrollment in the current school year; or

87 (B) average daily membership in the prior school year plus growth as determined under
88 Section 53A-17a-106; and

89 (ii) weighted as provided in Subsection (3)(c).

90 (c) In distributing funds under Chapter 17a, Minimum School Program Act, to charter
91 schools, charter school pupils shall be weighted, where applicable, as follows:

- 92 (i) .55 for kindergarten pupils;
- 93 (ii) .9 for pupils in grades 1 through 6;
- 94 (iii) .99 for pupils in grades 7 through 8; and
- 95 (iv) 1.2 for pupils in grades 9 through 12.

96 (4) (a) (i) A school district shall allocate a portion of school district revenues for each
97 resident student of the school district who is enrolled in a charter school on October 1 equal to
98 [~~25%~~ 50%] of the [~~lesser of: (A)] district per pupil local revenues[~~;~~ or],
99 [~~(B) charter school students' average local revenues.~~]~~

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

102 (b) The State Board of Education shall:

103 (i) deduct an amount equal to the allocation provided under Subsection (4)(a) from
104 state funds the school district is authorized to receive under Chapter 17a, Minimum School
105 Program Act; and

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

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

- 110 (i) unrestricted revenues available to the school district; or
- 111 (ii) the revenue sources listed in Subsection (1)(b) based on the portion of the
112 allocations to charter schools attributed to each of the revenue sources listed in Subsection
113 (1)(b).

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

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

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

121 (B) statewide average debt service revenues.

122 (iii) If the total of a school district's allocation for a charter school student under
123 Subsection (4)(a) and the amount provided by the state under Subsection (4)(d)(ii) is less than
124 \$1427, the state shall provide an additional supplement so that a charter school receives at least
125 \$1427 per student under this Subsection (4).

126 (iv) (A) If the appropriation provided under this Subsection (4)(d) is less than the
127 amount prescribed by Subsection (4)(d)(ii) or (4)(d)(iii), the appropriation shall be allocated
128 among charter schools in proportion to each charter school's enrollment as a percentage of the
129 total enrollment in charter schools.

130 (B) If the State Board of Education makes adjustments to Minimum School Program
131 allocations as provided under Section 53A-17a-105, the allocation provided in Subsection
132 (4)(d)(iv)(A) shall be determined after adjustments are made under Section 53A-17a-105.

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

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

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

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

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

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

145 (8) (a) (i) In accordance with Section 53A-1a-513.5, the State Charter School Board
146 may allocate grants for start-up costs to charter schools from money appropriated for charter
147 school start-up costs.

148 (ii) The governing board of a charter school that receives money from a grant under
149 Section 53A-1a-513.5 shall use the grant for expenses for planning and implementation of the
150 charter school.

151 (b) The State Board of Education shall coordinate the distribution of federal money

152 appropriated to help fund costs for establishing and maintaining charter schools within the
153 state.

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

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

161 Section 2. Section **59-2-924.2** is amended to read:

162 **59-2-924.2. Adjustments to the calculation of a taxing entity's certified tax rate.**

163 (1) For purposes of this section, "certified tax rate" means a certified tax rate calculated
164 in accordance with Section [59-2-924](#).

165 (2) Beginning January 1, 1997, if a taxing entity receives increased revenues from
166 uniform fees on tangible personal property under Section [59-2-404](#), [59-2-405](#), [59-2-405.1](#),
167 [59-2-405.2](#), or [59-2-405.3](#) as a result of any county imposing a sales and use tax under Chapter
168 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax
169 rate to offset the increased revenues.

170 (3) (a) Beginning July 1, 1997, if a county has imposed a sales and use tax under
171 Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:

172 (i) decreased on a one-time basis by the amount of the estimated sales and use tax
173 revenue to be distributed to the county under Subsection [59-12-1102\(3\)](#); and

174 (ii) increased by the amount necessary to offset the county's reduction in revenue from
175 uniform fees on tangible personal property under Section [59-2-404](#), [59-2-405](#), [59-2-405.1](#),
176 [59-2-405.2](#), or [59-2-405.3](#) as a result of the decrease in the certified tax rate under Subsection
177 (3)(a)(i).

178 (b) The commission shall determine estimates of sales and use tax distributions for
179 purposes of Subsection (3)(a).

180 (4) Beginning January 1, 1998, if a municipality has imposed an additional resort
181 communities sales and use tax under Section [59-12-402](#), the municipality's certified tax rate
182 shall be decreased on a one-time basis by the amount necessary to offset the first 12 months of

183 estimated revenue from the additional resort communities sales and use tax imposed under
184 Section 59-12-402.

185 (5) (a) This Subsection (5) applies to each county that:

186 (i) establishes a countywide special service district under Title 17D, Chapter 1, Special
187 Service District Act, to provide jail service, as provided in Subsection 17D-1-201(10); and

188 (ii) levies a property tax on behalf of the special service district under Section
189 17D-1-105.

190 (b) (i) The certified tax rate of each county to which this Subsection (5) applies shall be
191 decreased by the amount necessary to reduce county revenues by the same amount of revenues
192 that will be generated by the property tax imposed on behalf of the special service district.

193 (ii) Each decrease under Subsection (5)(b)(i) shall occur contemporaneously with the
194 levy on behalf of the special service district under Section 17D-1-105.

195 (6) (a) As used in this Subsection (6):

196 (i) "Annexing county" means a county whose unincorporated area is included within a
197 public safety district by annexation.

198 (ii) "Annexing municipality" means a municipality whose area is included within a
199 public safety district by annexation.

200 (iii) "Equalized public safety protection tax rate" means the tax rate that results from:

201 (A) calculating, for each participating county and each participating municipality, the
202 property tax revenue necessary:

203 (I) in the case of a fire district, to cover all of the costs associated with providing fire
204 protection, paramedic, and emergency services:

205 (Aa) for a participating county, in the unincorporated area of the county; and

206 (Bb) for a participating municipality, in the municipality; or

207 (II) in the case of a police district, to cover all the costs:

208 (Aa) associated with providing law enforcement service:

209 (Ii) for a participating county, in the unincorporated area of the county; and

210 (Iiii) for a participating municipality, in the municipality; and

211 (Bb) that the police district board designates as the costs to be funded by a property
212 tax; and

213 (B) adding all the amounts calculated under Subsection (6)(a)(iii)(A) for all

214 participating counties and all participating municipalities and then dividing that sum by the
215 aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:

216 (I) for participating counties, in the unincorporated area of all participating counties;
217 and

218 (II) for participating municipalities, in all the participating municipalities.

219 (iv) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service
220 Area Act:

221 (A) created to provide fire protection, paramedic, and emergency services; and

222 (B) in the creation of which an election was not required under Subsection
223 17B-1-214(3)(c).

224 (v) "Participating county" means a county whose unincorporated area is included
225 within a public safety district at the time of the creation of the public safety district.

226 (vi) "Participating municipality" means a municipality whose area is included within a
227 public safety district at the time of the creation of the public safety district.

228 (vii) "Police district" means a service area under Title 17B, Chapter 2a, Part 9, Service
229 Area Act, within a county of the first class:

230 (A) created to provide law enforcement service; and

231 (B) in the creation of which an election was not required under Subsection
232 17B-1-214(3)(c).

233 (viii) "Public safety district" means a fire district or a police district.

234 (ix) "Public safety service" means:

235 (A) in the case of a public safety district that is a fire district, fire protection,
236 paramedic, and emergency services; and

237 (B) in the case of a public safety district that is a police district, law enforcement
238 service.

239 (b) In the first year following creation of a public safety district, the certified tax rate of
240 each participating county and each participating municipality shall be decreased by the amount
241 of the equalized public safety tax rate.

242 (c) In the first budget year following annexation to a public safety district, the certified
243 tax rate of each annexing county and each annexing municipality shall be decreased by an
244 amount equal to the amount of revenue budgeted by the annexing county or annexing

245 municipality:

246 (i) for public safety service; and

247 (ii) in:

248 (A) for a taxing entity operating under a January 1 through December 31 fiscal year,

249 the prior calendar year; or

250 (B) for a taxing entity operating under a July 1 through June 30 fiscal year, the prior

251 fiscal year.

252 (d) Each tax levied under this section by a public safety district shall be considered to

253 be levied by:

254 (i) each participating county and each annexing county for purposes of the county's tax

255 limitation under Section 59-2-908; and

256 (ii) each participating municipality and each annexing municipality for purposes of the

257 municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a

258 city.

259 (e) The calculation of a public safety district's certified tax rate for the year of

260 annexation shall be adjusted to include an amount of revenue equal to one half of the amount

261 of revenue budgeted by the annexing entity for public safety service in the annexing entity's

262 prior fiscal year if:

263 (i) the public safety district operates on a January 1 through December 31 fiscal year;

264 (ii) the public safety district approves an annexation of an entity operating on a July 1

265 through June 30 fiscal year; and

266 (iii) the annexation described in Subsection (6)(e)(ii) takes effect on July 1.

267 (7) For the calendar year beginning on January 1, 2007, the calculation of a taxing

268 entity's certified tax rate, calculated in accordance with Section 59-2-924, shall be adjusted by

269 the amount necessary to offset any change in the certified tax rate that may result from

270 excluding the following from the certified tax rate under Subsection 59-2-924(3) enacted by the

271 Legislature during the 2007 General Session:

272 (a) personal property tax revenue:

273 (i) received by a taxing entity;

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

275 (iii) for personal property that is semiconductor manufacturing equipment; or

276 (b) the taxable value of personal property:
277 (i) contained on the tax rolls of a taxing entity;
278 (ii) assessed by a county assessor in accordance with Part 3, County Assessment; and
279 (iii) that is semiconductor manufacturing equipment.

280 (8) (a) The taxable value for the base year under Subsection 17C-1-102(6) shall be
281 reduced for any year to the extent necessary to provide a community development and renewal
282 agency established under Title 17C, Limited Purpose Local Government Entities - Community
283 Development and Renewal Agencies Act, with approximately the same amount of money the
284 agency would have received without a reduction in the county's certified tax rate, calculated in
285 accordance with Section 59-2-924, if:

- 286 (i) in that year there is a decrease in the certified tax rate under Subsection (2) or (3)(a);
- 287 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the
288 previous year; and
- 289 (iii) the decrease results in a reduction of the amount to be paid to the agency under
290 Section 17C-1-403 or 17C-1-404.

291 (b) The base taxable value under Subsection 17C-1-102(6) shall be increased in any
292 year to the extent necessary to provide a community development and renewal agency with
293 approximately the same amount of money as the agency would have received without an
294 increase in the certified tax rate that year if:

- 295 (i) in that year the base taxable value under Subsection 17C-1-102(6) is reduced due to
296 a decrease in the certified tax rate under Subsection (2) or (3)(a); and
- 297 (ii) the certified tax rate of a city, school district, local district, or special service
298 district increases independent of the adjustment to the taxable value of the base year.

299 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2) or (3)(a),
300 the amount of money allocated and, when collected, paid each year to a community
301 development and renewal agency established under Title 17C, Limited Purpose Local
302 Government Entities - Community Development and Renewal Agencies Act, for the payment
303 of bonds or other contract indebtedness, but not for administrative costs, may not be less than
304 that amount would have been without a decrease in the certified tax rate under Subsection (2)
305 or (3)(a).

306 (9) (a) For the calendar year beginning on January 1, 2014, the calculation of a county

307 assessing and collecting levy shall be adjusted by the amount necessary to offset:

308 (i) any change in the certified tax rate that may result from amendments to Part 16,
309 Multicounty Assessing and Collecting Levy, in Laws of Utah 2014, Chapter 270, Section 3;
310 and

311 (ii) the difference in the amount of revenue a taxing entity receives from or contributes
312 to the Property Tax Valuation Agency Fund, created in Section [59-2-1602](#), that may result from
313 amendments to Part 16, Multicounty Assessing and Collecting Levy, in Laws of Utah 2014,
314 Chapter 270, Section 3.

315 (b) A taxing entity is not required to comply with the notice and public hearing
316 requirements in Section [59-2-919](#) for an adjustment to the county assessing and collecting levy
317 described in Subsection (9)(a).

318 (10) For the calendar year beginning on January 1, 2015, and ending on December 31,
319 2015, a school district is exempt from the notice and public hearing requirements for the school
320 district's overall certified tax rate if the increased amount of ad valorem property tax revenue is
321 less than or equal to the difference between:

322 (a) the amount of revenue the school district allocated for charter school students as
323 described in Subsection [53A-1a-513\(4\)\(a\)](#) for the 2014-15 school year; and

324 (b) the amount of revenue the school district estimates it will allocate for charter school
325 students as described in Subsection [53A-1a-513\(4\)\(a\)](#) for the 2015-16 school year.

326 Section 3. Section [59-2-1317](#) is amended to read:

327 **59-2-1317. Tax notice -- Contents of notice -- Procedures and requirements for**
328 **providing notice.**

329 (1) Subject to the other provisions of this section, the county treasurer shall:

330 (a) collect the taxes; and

331 (b) provide a notice to each taxpayer that contains the following:

332 (i) the kind and value of property assessed to the taxpayer;

333 (ii) the street address of the property, if available to the county;

334 (iii) that the property may be subject to a detailed review in the next year under Section
335 [59-2-303.1](#);

336 (iv) the amount of taxes levied;

337 (v) a separate statement of the taxes levied only on a certain kind or class of property

338 for a special purpose;

339 (vi) property tax information pertaining to taxpayer relief, options for payment of
340 taxes, and collection procedures;

341 (vii) if applicable, the amount of an assessment assessed in accordance with Section
342 [11-42-401](#);

343 (viii) the date the taxes are due;

344 (ix) the street address at which the taxes may be paid;

345 (x) the date on which the taxes are delinquent;

346 (xi) the penalty imposed on delinquent taxes;

347 (xii) the information required by Subsection (6);

348 [~~(xii)~~] (xiii) other information specifically authorized to be included on the notice
349 under this chapter; and

350 [~~(xiii)~~] (xiv) other property tax information approved by the commission.

351 (2) For any property for which property taxes are delinquent, the notice described in
352 Subsection (1) shall state, "Prior taxes are delinquent on this parcel."

353 (3) Except as provided in Subsection (4), the county treasurer shall:

354 (a) mail the notice required by this section, postage prepaid; or

355 (b) leave the notice required by this section at the taxpayer's residence or usual place of
356 business, if known.

357 (4) (a) Subject to the other provisions of this Subsection (4), a county treasurer may, at
358 the county treasurer's discretion, provide the notice required by this section by electronic mail if
359 a taxpayer makes an election, according to procedures determined by the county treasurer, to
360 receive the notice by electronic mail.

361 (b) A taxpayer may revoke an election to receive the notice required by this section by
362 electronic mail if the taxpayer provides written notice to the treasurer on or before October 1.

363 (c) A revocation of an election under this section does not relieve a taxpayer of the
364 duty to pay a tax due under this chapter on or before the due date for paying the tax.

365 (d) A county treasurer shall provide the notice required by this section using a method
366 described in Subsection (3), until a taxpayer makes a new election in accordance with this
367 Subsection (4), if:

368 (i) the taxpayer revokes an election in accordance with Subsection (4)(b) to receive the

369 notice required by this section by electronic mail; or

370 (ii) the county treasurer finds that the taxpayer's electronic mail address is invalid.

371 (e) A person is considered to be a taxpayer for purposes of this Subsection (4)

372 regardless of whether the property that is the subject of the notice required by this section is

373 exempt from taxation.

374 (5) (a) The county treasurer shall provide the notice required by this section to a

375 taxpayer on or before November 1.

376 (b) The county treasurer shall keep on file in the county treasurer's office the

377 information set forth in the notice.

378 (c) The county treasurer is not required to mail a tax receipt acknowledging payment.

379 (6) (a) The notice a treasurer is required to furnish to a taxpayer under Subsection (1)

380 shall state the amount of property taxes imposed on the taxpayer that represents revenue

381 distributed to charter schools as provided in Section [53A-1a-513](#).

382 (b) For purposes of the statement required by Subsection (6)(a), a treasurer shall

383 determine the amount of property taxes described in Subsection (6)(a) in accordance with a

384 formula established by the commission in rules adopted in accordance with Title 63G, Chapter

385 3, Utah Administrative Rulemaking Act.

386 (c) By the date specified by the commission in rules adopted under Subsection (6)(b),

387 the State Board of Education shall report to county treasurers the estimated amount of revenues

388 of each school district to be distributed to charter schools as provided in Section [53A-1a-513](#).

389 [~~6~~] (7) This section does not apply to property taxed under Section [59-2-1302](#) or

390 [59-2-1307](#).

391 Section 4. **Retrospective operation.**

392 This bill has retrospective operation to January 1, 2015.

Legislative Review Note

as of 2-27-15 7:49 AM

Office of Legislative Research and General Counsel