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MEMORANDUM

TO: Members, Utah State Board of Education

FROM: Martell Menlove, Ph.D.
Chief Executive Officer

DATE: May 2, 2013

ACTION: R277-422 *State Supported Voted Local Levy, Board Local Levy and Reading Improvement Program* (Amendment)

Background:
During the recent legislative session, H.B. 49 *Voted and Board Levy Programs Amendments*, was passed. Passage of this bill requires that Board rule R277-422 be amended.

Key Points:
The legislation directs the State Board of Education to increase the state guarantee under these programs to a level which would allocate to school districts any prior year carry-over balances in the appropriations under the Voted and Board Local Levy Programs.

Anticipated Action:
It is anticipated that the Accountability and Finance Committee will consider approving R277-422 as amended, on first reading, and if approved by the Committee, the Board will consider approving the amended rule for consideration on second reading.

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R277. Education, Administration.

R277-422. State Supported Voted Local Levy, Board Local Levy and Reading Improvement Program.

R277-422-3. Requirements and Timelines for State-Supported Voted Local Levy.

A. A local board may establish a state-supported voted local levy program following an election process that approves a special tax. The election process is provided for under Section 53A-17a-133(2).

B. Local boards which have approved voted local levy or voted leeway programs since 1965 may set an annual fiscal year fixed tax rate levy for the voted local levy equal to or less than the levy authorized by the election.

C. A school district may budget an increased amount of ad valorem property tax revenue from a voted local levy in addition to revenue from new growth without required compliance with the advertisement requirements if the voted local levy is or was approved:

(1) on or after January 1, 2003;

(2) within the four-year period immediately preceding the year in which the school district seeks to budget an increased amount of ad valorem property tax; and

(3) for a voted local levy approved or modified on or after January 1, 2009, the proposition submitted to the voters contains the following statement: A vote in favor of this tax means that (name of school district) may increase revenue from this property tax without advertising the increase for the next five years.

D. [~~The state provides state guarantee funds to support the district voted local levy according to the amount specified in Section 53A-17a-133(3) and the Board local levy according to the amount specified in Section 53A-17a-164(3).~~]<u>Any prior year voted and board local funding balance shall be used to increase the current guarantee for the board and voted local levy programs. Funding shall be distributed based on the increased guarantee per WPU.</u>

E. State and local funds received by a local board under

the voted local levy program are unrestricted revenue and may be budgeted and expended within the school district's general fund.

F. In order to receive state support for an initial voted local levy tax rate, a local board shall receive voter approval no later than December 1 prior to the commencement of the fiscal year of implementation of that initial voted local levy tax rate.

G. If a school district qualifies for state support the year prior to an increase in its existing voted local levy; and:

(1) does not receive voter approval for an increase after June 30 of the previous fiscal year and before December 2 of the previous fiscal year; and

(2) intends to levy the additional rate for the fiscal year starting the following July 1; then

(3) the district shall only receive state support for the existing voted local levy tax rate and not the additional voter-approved tax rate for the fiscal year commencing the following July 1, and

(4) shall receive state support for the existing and additional voter-approved tax rate for each year thereafter, as long as the district qualifies to receive state support.

KEY: education, finance

Date of Enactment or Last Substantive Amendment: [~~December 17, 2012~~]2013

Notice of Continuation: October 5, 2012

Authorizing, and Implemented or Interpreted Law: Art X Sec 3; 53A-1-402(1)(f); 53A-1-401(3); 53A-17a-133; 53A-17a-164; 53A-17a-150; 53A-17a-151; 59-2-919