

# PUBLIC EDUCATION PROPERTY TAXES

## 2014-15

| <u>Tax</u>         | <u>Ceiling<sup>1</sup></u>      | <u>Utah Code Citation</u>                          |
|--------------------|---------------------------------|--|
| Basic Levy         | .001419 <sup>2</sup>            | 53A-17a-135; 59-2-902 and -903, and -905, and -906 |
| Voted Local Levy   | .002000 <sup>3</sup>            | 53A-17a-133 and 59-2-904                           |
| Board Local Levy   | 0.001800 or 0.002500            | 53A-17a-134 and 164                                |
| Capital Local Levy | .003000 <sup>4</sup>            | 53A-16-113   |
| Debt Service       | Voter Approval                  | 11-14-310, 53A-17a-145                             |
| Judgment Recovery  | Varies by Judgment <sup>5</sup> | 59-2-102, 918.5, 924,1328, 1330                    |

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<sup>1</sup> A taxing entity may impose a tax rate in excess of the maximum levy permitted by law if the rate generates revenues that are less than the revenues that would be generated under the certified tax rate [59-2-914(3)(a)].

<sup>2</sup> This is the actual Basic Rate levy for FY15. 53A-17a-135(1)(a), (b) and (c) provide that the State Tax Commission will certify and adjust the basic rate on or before June 22 to generate \$296,709,700.

<sup>3</sup> House Bill 38 of the 2001 General Session increased the state guarantee of \$17.14 per 0.0001 tax rate per WPU to 0.008544 times the value of the prior year's weighted pupil unit beginning in FY 2002-03. The 2002 Legislature delayed implementation of this bill until FY 2003-04; the 2003 Legislature delayed implementation of this bill until FY 2004-05. The guarantee shall increase by 0.0005 times the value of the prior year's weighted pupil unit for each succeeding year until the guarantee is equal to 0.010544 times the value of the prior year's weighted pupil unit." (53A-17a-133(3)(c) (i and ii). The 2005 Legislature implemented the full state guarantee to \$18.64. The amount of state aid guarantee money to which a school district would be otherwise entitled under the Voted/Board Leeway programs may not be reduced as a consequence of changes in the certified tax rate pursuant to changes in property valuation. This applies for a period of two years following any such change in the certified tax rate [53A-17a-133(3)(d)(i) and (ii)]. House Bill 2 of the 2009 Legislature froze the state guarantee at \$25.25 by making the value of the guarantee equal to 0.009798 times the value of the prior year's weighted pupil unit. The 2010 Legislature set the FY11 state guarantee at \$25.25 and shall be indexed each year to the value of the weighted pupil unit by making the value of the guarantee equal to 0.010544 times the value of the prior year's weighted pupil unit. During the 2013 Legislative session, the value of the state guarantee was changed to equal 0.009630 times the value of the prior year's WPU. The guarantee's factor increase remained at 0.000500 (53A-17a-133(4)(c)(1) and (2).

<sup>4</sup> If a qualifying school district imposes a combined capital levy rate that is greater than or equal to the base tax effort rate, the State Board of Education shall allocate to the qualifying school district an amount equal to the product of the qualifying school district's ADM and an amount equal to the difference between the foundation guarantee level per ADM and the qualifying school district's property tax yield per ADM. If a qualifying school district imposes a combined capital levy rate less than the base tax effort rate, the State Board of Education shall allocate to the qualifying school district an amount equal to the product of the qualifying school district's ADM, an amount equal to the difference between the foundation guarantee level per ADM and the qualifying school district's property tax yield per ADM and a percentage equal to the qualifying school district's combine capital levy rate divided by the base tax effort rate. In addition, there will be a base considered in the allocation of either \$50,000, \$100,000, or \$200,000 for small school districts. School districts are required, regardless of any limitations which may otherwise exist on the amount of taxes which the school district may levy, to provide for the levy and collection annually of ad valorem taxes without limitation as to rate or amount on all taxable property in the school district fully sufficient to fund general obligation indebtedness [11-14-310].

<sup>5</sup> Senate Bill 84 of the 2000 General Session clarified eligibility requirements for the imposition of a Judgment Levy. An eligible judgment is a final order or judgment under 59-2-1328 or 59-2-1330 that became final and unappealable no more than 14 months prior to July 22<sup>nd</sup> of each year and for which the taxing entity's share of the judgment is greater than or equal to the lesser of \$5,000 or 2.5% (ranges changed from \$1,000 or 1% by House Bill 201 of the 2002 General Session) of the total advalorem property taxes collected by the taxing entity in the previous fiscal year [59-2-102(10)]. Because each year stands on its own, judgment levies are not considered part of the total certified tax rate; the effective judgment levy certified tax rate is considered to be zero each year and taxing entities must go through the hearing and notice requirements of 59-2-918.5 each year. If a judgment levy is imposed, all refunds and interest ordered must be paid no later than December 31 of the year in which the judgment levy is imposed [59-2-1328 (3)].