

# WEST VIRGINIA LEGISLATURE

## 2016 REGULAR SESSION

**Introduced**

### **Senate Bill 452**

**FISCAL  
NOTE**

BY SENATORS COLE (MR. PRESIDENT) AND KESSLER

(BY REQUEST OF THE EXECUTIVE)

[Introduced February 1, 2016;

Referred to the Committee on Education; and then to the  
Committee on Finance.]

1 A BILL to amend and reenact §11-8-6f of the Code of West Virginia, 1931, as amended; and to  
 2 amend and reenact §18-9A-4, §18-9A-5, §18-9A-7, §18-9A-10 and §18-9A-11 of said  
 3 code, all relating to public school finance; eliminating authority of growth county boards  
 4 of education to designate regular school board levy revenues due to new construction or  
 5 improvements to a growth county school facilities act fund; adjusting the formula for  
 6 foundation allowance for professional educators; adjusting the formula for foundation  
 7 allowance for service personnel; adjusting and eliminating certain adjustments of the  
 8 foundation allowance for transportation costs; adjusting the calculation for the foundation  
 9 allowance to improve instructional programs; and eliminating certain restrictions in the  
 10 computation of local share.

*Be it enacted by the Legislature of West Virginia:*

1 That §11-8-6f of the Code of West Virginia, 1931, as amended, be amended and  
 2 reenacted; and that §18-9A-4, §18-9A-5, §18-9A-7, §18-9A-10 and §18-9A-11 of said code be  
 3 amended and reenacted, all to read as follows:

## **CHAPTER 11. TAXATION.**

### **ARTICLE 8. LEVIES.**

#### **§11-8-6f. Regular school board levy rate. ~~creation and implementation of Growth County School Facilities Act; creation of Growth County School Facilities Act Fund.~~**

1 (a) Notwithstanding any other provision of law, where any annual appraisal, triennial  
 2 appraisal or general valuation of property would produce a statewide aggregate assessment that  
 3 would cause an increase of two percent or more in the total property tax revenues that would be  
 4 realized were the then current regular levy rates of the county boards of education to be imposed,  
 5 the rate of levy for county boards of education shall be reduced uniformly statewide and  
 6 proportionately for all classes of property for the forthcoming tax year so as to cause the rate of  
 7 levy to produce no more than one hundred two percent of the previous year's projected statewide

8 aggregate property tax revenues from extending the county board of education levy rate, unless  
9 subsection (b) of this section is complied with. The reduced rates of levy shall be calculated in the  
10 following manner: (1) The total assessed value of each class of property as it is defined by section  
11 five of this article for the assessment period just concluded shall be reduced by deducting the  
12 total assessed value of newly created properties not assessed in the previous year's tax book for  
13 each class of property; (2) the resulting net assessed value of Class I property shall be multiplied  
14 by .01; the value of Class II by .02; and the values of Classes III and IV, each by .04; (3) total the  
15 current year's property tax revenue resulting from regular levies for the boards of education  
16 throughout this state and multiply the resulting sum by one hundred two percent: *Provided*, That  
17 the one hundred two percent figure shall be increased by the amount the boards of education's  
18 increased levy provided for in subsection (b), section eight, article one-c of this chapter; (4) divide  
19 the total regular levy tax revenues, thus increased in subdivision (3) of this subsection, by the  
20 total weighted net assessed value as calculated in subdivision (2) of this subsection and multiply  
21 the resulting product by one hundred; the resulting number is the Class I regular levy rate, stated  
22 as cents-per-one hundred dollars of assessed value; and (5) the Class II rate is two times the  
23 Class I rate; Classes III and IV, four times the Class I rate as calculated in the preceding  
24 subdivision.

25 An additional appraisal or valuation due to new construction or improvements, including  
26 beginning recovery of natural resources, to existing real property or newly acquired personal  
27 property shall not be an annual appraisal or general valuation within the meaning of this section,  
28 nor shall the assessed value of the improvements be included in calculating the new tax levy for  
29 purposes of this section. Special levies shall not be included in any calculations under this section.

30 (b) After conducting a public hearing, the Legislature may, by act, increase the rate above  
31 the reduced rate required in subsection (a) of this section if an increase is determined to be  
32 necessary.

33 (c) The State Tax Commissioner shall report to the Joint Committee on Government and

34 Finance and the Legislative Oversight Commission on Education Accountability by March 1 of  
35 each year on the progress of assessors in each county in assessing properties at the  
36 constitutionally required sixty percent of market value and the effects of increasing the limit on the  
37 increase in total property tax revenues set forth in this section to two percent.

38 ~~(d) Growth County School Facilities Act. Legislative findings.~~

39 ~~The Legislature finds and declares that there has been, overall, a statewide decline in~~  
40 ~~enrollment in the public schools of this state; due to this decline, most public schools have ample~~  
41 ~~space for students, teachers and administrators; however, some counties of this state have~~  
42 ~~experienced significant increases in enrollment due to significant growth in those counties; that~~  
43 ~~those counties experiencing significant increases do not have adequate facilities to accommodate~~  
44 ~~students, teachers and administrators. Therefore, the Legislature finds that county boards of~~  
45 ~~education in those high-growth counties should have the authority to designate revenues~~  
46 ~~generated from the application of the regular school board levy due to new construction or~~  
47 ~~improvements placed in a Growth County School Facilities Act Fund be used for school facilities~~  
48 ~~in those counties to promote the best interests of this state's students.~~

49 ~~(1) For the purposes of this subsection, "growth county" means any county that has~~  
50 ~~experienced an increase in second month net enrollment of fifty or more during any three of the~~  
51 ~~last five years, as determined by the state Department of Education.~~

52 ~~(2) The provisions of this subsection shall only apply to any growth county, as defined in~~  
53 ~~subdivision (1) of this subsection, that, by resolution of its county board of education, chooses to~~  
54 ~~use the provisions of this subsection.~~

55 ~~(3) For any growth county, as defined in subdivision (1) of this subsection, that adopts a~~  
56 ~~resolution choosing to use the provisions of this subsection, pursuant to subdivision (2) of this~~  
57 ~~subsection, assessed values resulting from additional appraisal or valuation due to new~~  
58 ~~construction or improvements to existing real property shall be designated as new property values~~  
59 ~~and identified by the county assessor. The statewide regular school board levy rate as established~~

60 ~~by the Legislature shall be applied to the assessed value designated as new property values and~~  
 61 ~~the resulting property tax revenues collected from application of the regular school board levy rate~~  
 62 ~~shall be placed in a separate account designated as the Growth County School Facilities Act~~  
 63 ~~Fund. Revenues deposited in the Growth County School Facilities Act Fund shall be appropriated~~  
 64 ~~by the county board of education for construction, maintenance or repair of school facilities.~~  
 65 ~~Revenues in the fund may be carried over for an indefinite length of time and may be used as~~  
 66 ~~matching funds for the purpose of obtaining funds from the School Building Authority or for the~~  
 67 ~~payment of bonded indebtedness incurred for school facilities. For any growth county choosing~~  
 68 ~~to use the provisions of this subsection, estimated school board revenues generated from~~  
 69 ~~application of the regular school board levy rate to new property values are not to be considered~~  
 70 ~~as local funds for purposes of the computation of local share under the provisions of section~~  
 71 ~~eleven, article nine-a, chapter eighteen of this code.~~

72       (e) (d) This section, as amended during the legislative session in the year 2004, shall be  
 73 ~~effective as to any regular levy rate imposed for the county boards of education for taxes due and~~  
 74 ~~payable on or after July 1, 2004. If any provision of this section is held invalid, the invalidity shall~~  
 75 ~~not affect other provisions or applications of this section which can be given effect without the~~  
 76 ~~invalid provision or its application and to this end the provisions of this section are declared to be~~  
 77 ~~severable.~~

## **CHAPTER 18. EDUCATION.**

### **ARTICLE 9A. PUBLIC SCHOOL SUPPORT.**

#### **§18-9A-4. Foundation allowance for professional educators.**

1           (a) The basic foundation allowance to the county for professional educators shall be the  
 2 amount of money required to pay the state minimum salaries, in accordance with provisions of  
 3 article four, chapter eighteen-a of this code, to the personnel employed, subject to the following:

4           (1) ~~Subject to subdivision (2) of this subsection,~~ In making this computation no county shall

5 receive an allowance for the personnel which number is in excess of professional educators to  
6 each one thousand students in net enrollment as follows:

7 (A) For each high-density county, the number of personnel for which a county shall receive  
8 the allowance shall not exceed ~~seventy-two and one tenth~~ seventy-one and five tenths  
9 professional educators per each one thousand students in net enrollment;

10 (B) For each medium-density county, the number of personnel for which a county shall  
11 receive the allowance shall not exceed ~~seventy-two and twenty-five one hundredths~~ professional  
12 educators per each one thousand students in net enrollment;

13 (C) For each low-density county, the number of personnel for which a county shall receive  
14 the allowance shall not exceed ~~seventy-two and four tenths~~ seventy-five one hundredths  
15 professional educators per each one thousand students in net enrollment; and

16 (D) For each sparse-density county, the number of personnel for which a county shall  
17 receive the allowance shall not exceed ~~seventy-two~~ seventy-three and ~~fifty-five~~ twenty-five one  
18 hundredths professional educators per each one thousand students in net enrollment;

19 ~~(2) For the ratios applicable to each of the four density categories set forth in subdivision~~  
20 ~~(1) of this subsection, the number of professional educators per each one thousand students in~~  
21 ~~net enrollment increases by five one hundredths per year for each of fiscal years 2010, 2011,~~  
22 ~~2012 and 2013. For each fiscal year thereafter, the ratios remain at the 2013 level.~~

23 ~~(3)~~ (2) The number of and the allowance for personnel paid in part by state and county  
24 funds shall be prorated; and

25 ~~(4)~~ (3) Where two or more counties join together in support of a vocational or  
26 comprehensive high school or any other program or service, the professional educators for the  
27 school or program may be prorated among the participating counties on the basis of each one's  
28 enrollment therein and the personnel shall be considered within the above-stated limit.

29 (b) ~~Subject to subsection (c) of this section,~~ Each county board shall establish and  
30 maintain a minimum ratio of professional instructional personnel per one thousand students in net

31 enrollment as follows:

32 (1) For each high-density county, the minimum number of professional instructional  
33 personnel per one thousand students in net enrollment is ~~sixty-five and eight tenths~~;

34 (2) For each medium-density county, the minimum number of professional instructional  
35 personnel per one thousand students in net enrollment is ~~sixty-five and nine tenths~~ twenty-five  
36 one hundredths;

37 (3) For each low-density county, the minimum number of professional instructional  
38 personnel per one thousand students in net enrollment is ~~sixty-six~~ sixty-five and seventy-five one  
39 hundredths;

40 (4) For each sparse-density county, the minimum number of professional instructional  
41 personnel per one thousand students in net enrollment is ~~sixty-six and five one hundredths~~.

42 ~~(c) For the ratios applicable to each of the four density categories set forth in subsection~~  
43 ~~(b) of this subsection, the number of professional instructional personnel per each one thousand~~  
44 ~~students in net enrollment increases by five one hundredths per year for each of fiscal years 2010,~~  
45 ~~2011, 2012 and 2013. For each fiscal year thereafter, the ratios remain at the 2013 level. Where~~  
46 ~~two or more counties join together in support of a vocational or comprehensive high school or any~~  
47 ~~other program or service, the professional instructional personnel for the school or program may~~  
48 ~~be prorated among the participating counties on the basis of each one's enrollment therein and~~  
49 ~~the personnel shall be considered within the above-stated limit.~~

50 (d) Any county board which does not establish and maintain the applicable minimum ratio  
51 required in subsection (b) of this section shall suffer a pro rata reduction in the allowance for  
52 professional educators under this section: *Provided*, That no county shall be penalized if it has  
53 increases in enrollment during that school year: *Provided, however*, That for the school year  
54 2008-2009, only, no county shall be penalized for not meeting the applicable minimum ratio  
55 required in subsection (b) of this section.

56 (e) No county shall increase the number of administrative personnel employed as either

57 professional educators or pay grade "H" service personnel above the number which were  
 58 employed, or for which positions were posted, on June 30, 1990, and, therefore, county boards  
 59 shall whenever possible utilize classroom teachers for curriculum administrative positions through  
 60 the use of modified or extended contracts.

61 ~~(f) As the number of professional educators per each one thousand students in net~~  
 62 ~~enrollment increases during fiscal years 2009 through 2013, any additional positions that are~~  
 63 ~~created as a result of that increase shall be positions that will enhance student achievement and~~  
 64 ~~are consistent with the needs as identified in each county board's electronic county strategic~~  
 65 ~~improvement plan. County boards are encouraged to fill at least some of the additional positions~~  
 66 ~~with technology integration specialists.~~

67 ~~(g)~~ (f) During the 2008-2009 interim period, and every three interim periods thereafter, the  
 68 Legislative Oversight Commission on Education Accountability shall review the four density  
 69 categories created in section two of this article, the ratios for professional educators established  
 70 in this section and the ratios for service personnel established in section five of this article.

**§18-9A-5. Foundation allowance for service personnel.**

1 (a) The basic foundation allowance to the county for service personnel shall be the amount  
 2 of money required to pay the annual state minimum salaries in accordance with the provisions of  
 3 article four, chapter eighteen-a of this code, to such service personnel employed, subject to the  
 4 following:

5 (1) For the school year beginning on July 1, 2008, and thereafter, no county shall receive  
 6 an allowance for an amount in excess of service personnel per one thousand students in net  
 7 enrollment, as follows:

8 (A) For each high-density county, the number of personnel for which a county shall receive  
 9 the allowance shall not exceed forty-three and ~~ninety-seven~~ seventy-five one hundredths service  
 10 personnel per one thousand students in net enrollment;

11 (B) For each medium-density county, the number of personnel for which a county shall



12 receive the allowance shall not exceed forty-four and ~~fifty-three one hundredths~~ five tenths service  
 13 personnel per one thousand students in net enrollment;

14 (C) For each low-density county, the number of personnel for which a county shall receive  
 15 the allowance shall not exceed forty-five and ~~one tenth~~ five tenths service personnel per one  
 16 thousand students in net enrollment; and

17 (D) For each sparse-density county, the number of personnel for which a county shall  
 18 receive the allowance shall not exceed ~~forty-five and sixty-eight one hundredths~~ forty-six and five  
 19 tenths service personnel per one thousand students in net enrollment; and

20 (2) Where two or more counties join together in support of a vocational or comprehensive  
 21 high school or any other program or service, the service personnel for the school or program may  
 22 be prorated among the participating counties on the basis of each one's enrollment therein and  
 23 that the personnel shall be considered within the above-stated limit.

**§18-9A-7. Foundation allowance for transportation cost.**

1 (a) The allowance in the foundation school program for each county for transportation shall  
 2 be the sum of the following computations:

3 (1) A percentage of the transportation costs incurred by the county for maintenance,  
 4 operation and related costs exclusive of all salaries, including the costs incurred for contracted  
 5 transportation services and public utility transportation, as follows:

6 (A) For each high-density county, eighty-seven and one-half percent;

7 (B) For each medium-density county, ninety percent;

8 (C) For each low-density county, ninety-two and one-half percent;

9 (D) For each sparse-density county, ninety-five percent;

10 (E) For any county for the transportation cost for maintenance, operation and related  
 11 costs, exclusive of all salaries, for transporting students to and from classes at a multicounty  
 12 vocational center, the percentage provided in paragraphs (A) through (D) of this subdivision as  
 13 applicable for the county plus an additional ten percent; and

14 (F) For any county for that portion of its school bus system that uses as an alternative fuel  
 15 compressed natural gas or propane, the percentage provided in paragraphs (A) through (D) of  
 16 this subdivision as applicable for the county plus an additional ten percent: *Provided*, That for any  
 17 county receiving an additional ten percent for that portion of their bus system using bio-diesel as  
 18 an alternative fuel during the school year 2012-2013, bio-diesel shall continue to qualify as an  
 19 alternative fuel under this paragraph to the extent that the additional percentage applicable to that  
 20 portion of the bus system using bio-diesel shall be decreased by two and one-half percent per  
 21 year for four consecutive school years beginning in school year 2014-2015: *Provided, however*,  
 22 That any county using an alternative fuel and qualifying for the additional allowance under this  
 23 subdivision shall submit a plan regarding the intended future use of alternatively fueled school  
 24 buses;

25 (2) The total cost, within each county, of insurance premiums on buses, buildings and  
 26 equipment used in transportation;

27 (3) An amount equal to ~~eight and one-third~~ six and sixty-seven one hundredths percent of  
 28 the current replacement value of the bus fleet within each county as determined by the state  
 29 board: *Provided*, That the number of years of replacement value provided for each bus will not  
 30 exceed fifteen years: *Provided, however*, That the remaining unpaid replacement allowance for  
 31 buses placed into service on or before June 30, 2014, is prorated over the remaining years of the  
 32 fifteen year replacement cycle: *Provided further*, That the amount for the school year beginning  
 33 July 1, 2015, will be \$15 million. and the amount for the school year beginning July 1, 2016, will  
 34 be \$18,000,000. The amount shall only be used for the replacement of buses. Buses purchased  
 35 after July 1, 1999 that are driven ~~one hundred eighty~~ two hundred twenty-five thousand miles,  
 36 regardless of year model, will be subject to the balance of the replacement value of ~~eight and~~  
 37 ~~one-third percent~~ not to exceed fifteen years as determined by the state board. In addition, in any  
 38 school year in which its net enrollment increases when compared to the net enrollment the year  
 39 immediately preceding, a school district may apply to the state superintendent for funding for an

40 additional bus or buses. The state superintendent shall make a decision regarding each  
41 application based upon an analysis of the individual school district's net enrollment history and  
42 transportation needs: *Provided*, That the superintendent shall not consider any application which  
43 fails to document that the county has applied for federal funding for additional buses. If the state  
44 superintendent finds that a need exists, a request for funding shall be included in the budget  
45 request submitted by the state board for the upcoming fiscal year; and

46 (4) Aid in lieu of transportation equal to the state average amount per pupil for each pupil  
47 receiving the aid within each county.

48 (b) The total state share for this purpose is the sum of the county shares: *Provided*, That  
49 no county shall receive an allowance which is greater than one-third above the computed state  
50 average allowance per transportation mile multiplied by the total transportation mileage in the  
51 county exclusive of the allowance for the purchase of additional buses.

52 (c) One half of one percent of the transportation allowance distributed to each county shall  
53 be for the purpose of trips related to academic classroom curriculum and not related to any  
54 extracurricular activity. Any remaining funds credited to a county for the purpose of trips related  
55 to academic classroom curriculum during the fiscal year shall be carried over for use in the same  
56 manner the next fiscal year and shall be separate and apart from, and in addition to, the  
57 appropriation for the next fiscal year. The state board may request a county to document the use  
58 of funds for trips related to academic classroom curriculum if the board determines that it is  
59 necessary.

**§18-9A-10. Foundation allowance to improve instructional programs and instructional technology.**

1 (a) The total allowance to improve instructional programs shall be the sum of the following:

2 (1) For instructional improvement, in accordance with county and school electronic  
3 strategic improvement plans required by section five, article two-e of this chapter, an amount  
4 equal to ten percent of the increase in the local share amount for the next school year above any

5 required allocation pursuant to section six-b of this article shall be added to the amount of the  
6 appropriation for this purpose for the immediately preceding school year: Provided, That in making  
7 this calculation, the total amount used as the appropriation for this purpose for the immediate  
8 preceding school year shall be reduced by \$3,799.302. The sum of these amounts shall be  
9 distributed to the counties as follows:

10 (A) One hundred fifty thousand dollars shall be allocated to each county; and

11 (B) Distribution to the counties of the remainder of these funds shall be made proportional  
12 to the average of each county's average daily attendance for the preceding year and the county's  
13 second month net enrollment.

14 Moneys allocated by provision of this subdivision shall be used to improve instructional  
15 programs according to the county and school strategic improvement plans required by section  
16 five, article two-e of this chapter and approved by the state board: *Provided*, That notwithstanding  
17 any other provision of this code to the contrary, moneys allocated by provision of this section also  
18 may be used in the implementation and maintenance of the uniform integrated regional computer  
19 information system.

20 Up to twenty-five percent of this allocation may be used to employ professional educators  
21 and service personnel in counties after all applicable provisions of sections four and five of this  
22 article have been fully utilized.

23 Prior to the use of any funds from this subdivision for personnel costs, the county board  
24 must receive authorization from the state superintendent. The state superintendent shall require  
25 the county board to demonstrate: (1) The need for the allocation; (2) efficiency and fiscal  
26 responsibility in staffing; (3) sharing of services with adjoining counties and the regional  
27 educational service agency for that county in the use of the total local district board budget; and  
28 (4) employment of technology integration specialists to meet the needs for implementation of the  
29 West Virginia 21<sup>st</sup> Century Strategic Technology Learning Plan. County boards shall make  
30 application for the use of funds for personnel for the next fiscal year by May 1 of each year. On

31 or before June 1, the state superintendent shall review all applications and notify applying county  
32 boards of the approval or disapproval of the use of funds for personnel during the fiscal year  
33 appropriate. The state superintendent shall require the county board to demonstrate the need for  
34 an allocation for personnel based upon the county's inability to meet the requirements of state  
35 law or state board policy.

36 The provisions relating to the use of any funds from this subdivision for personnel costs  
37 are subject to the following: (1) The funds available for personnel under this subsection may not  
38 be used to increase the total number of professional noninstructional personnel in the central  
39 office beyond four; and (2) for the school year beginning July 1, 2013, and thereafter, any funds  
40 available to a county for use for personnel under this subsection above the amount available for  
41 the 2012-2013 school year, only may be used for technology systems specialists until the state  
42 superintendent determines that the county has sufficient technology systems specialists to serve  
43 the needs of the county.

44 The plan shall be made available for distribution to the public at the office of each affected  
45 county board; plus

46 (2) For the purposes of improving instructional technology, an amount equal to twenty  
47 percent of the increase in the local share amount for the next school year above any required  
48 allocation pursuant to section six-b of this article shall be added to the amount of the appropriation  
49 for this purpose for the immediately preceding school year. The sum of these amounts shall be  
50 distributed to the counties as follows:

51 (A) Thirty thousand dollars shall be allocated to each county; and

52 (B) Distribution to the counties of the remainder of these funds shall be made proportional  
53 to the average of each county's average daily attendance for the preceding year and the county's  
54 second month net enrollment.

55 Effective July 1, 2014, moneys allocated by provision of this subdivision shall be used to  
56 improve instructional technology programs according to the county and school strategic

57 improvement plans; plus

58 (3) One percent of the state average per pupil state aid multiplied by the number of  
59 students enrolled in dual credit, advanced placement and international baccalaureate courses, as  
60 defined by the state board, distributed to the counties proportionate to enrollment in these courses  
61 in each county; plus

62 (4) An amount not less than the amount required to meet debt service requirements on  
63 any revenue bonds issued prior to January 1, 1994, and the debt service requirements on any  
64 revenue bonds issued for the purpose of refunding revenue bonds issued prior to January 1,  
65 1994, shall be paid into the School Building Capital Improvements Fund created by section six,  
66 article nine-d of this chapter and shall be used solely for the purposes of that article. The School  
67 Building Capital Improvements Fund shall not be utilized to meet the debt services requirement  
68 on any revenue bonds or revenue refunding bonds for which moneys contained within the School  
69 Building Debt Service Fund have been pledged for repayment pursuant to that section.

70 (b) When the school improvement bonds secured by funds from the School Building  
71 Capital Improvements Fund mature, the State Board of Education shall annually deposit an  
72 amount equal to \$24 million from the funds allocated in this section into the School Construction  
73 Fund created pursuant to the provisions of section six, article nine-d of this chapter to continue  
74 funding school facility construction and improvements.

75 (c) Any project funded by the School Building Authority shall be in accordance with a  
76 comprehensive educational facility plan which must be approved by the state board and the  
77 School Building Authority.

**§18-9A-11. Computation of local share; appraisal and assessment of property; valuations  
for tax increment financing purposes; ~~computations in growth counties~~; public  
library support.**

1 (a) On the basis of each county's certificates of valuation as to all classes of property as  
2 determined and published by the assessors pursuant to section six, article three, chapter eleven

3 of this code for the next ensuing fiscal year in reliance upon the assessed values annually  
4 developed by each county assessor pursuant to articles one-c and three of that chapter, the state  
5 board shall for each county compute by application of the levies for general current expense  
6 purposes, as defined in section two of this article, the amount of revenue which the levies would  
7 produce if levied upon one hundred percent of the assessed value of each of the several classes  
8 of property contained in the report or revised report of the value made to it by the Tax  
9 Commissioner as follows:

10 (1) For each fiscal year beginning before July 1, 2014, the state board shall first take  
11 ninety-five percent of the amount ascertained by applying these rates to the total assessed public  
12 utility valuation in each classification of property in the county. For each fiscal year beginning after  
13 June 30, 2014, the state board shall first take ninety-six percent of the amount ascertained by  
14 applying these rates to the total assessed public utility valuation in each classification of property  
15 in the county; and

16 (2) For each fiscal year beginning before July 1, 2014, the state board shall then apply  
17 these rates to the assessed taxable value of other property in each classification in the county as  
18 determined by the Tax Commissioner and shall deduct therefrom five percent as an allowance  
19 for the usual losses in collections due to discounts, exonerations, delinquencies and the like. For  
20 each fiscal year beginning after June 30, 2014, the state board shall then apply these rates to the  
21 assessed taxable value of other property in each classification in the county as determined by the  
22 Tax Commissioner and shall deduct therefrom four percent as an allowance for the usual losses  
23 in collections due to discounts, exonerations, delinquencies and the like. All of the amount so  
24 determined shall be added to the ninety-five or ninety-six percent, as applicable, of public utility  
25 taxes computed as provided in subdivision (1) of this subsection and this total shall be further  
26 reduced by the amount due each county assessor's office pursuant to section eight, article one-c,  
27 chapter eleven of this code and this amount shall be the local share of the particular county.

28           As to any estimations or preliminary computations of local share required prior to the report  
29 to the Legislature by the Tax Commissioner, the state shall use the most recent projections or  
30 estimations that may be available from the Tax Department for that purpose.

31           (b) It is the intent of the Legislature that the computation of local share for public school  
32 support continue to be based upon actual real property values rather than assumed assessed  
33 real property values that are based upon an assessment ratio study, and that the annual amount  
34 of local share for which a county board of education is responsible continue to be computed  
35 without reference to whether the real property assessments in that county were at least fifty-four  
36 percent of market value in the prior year as indicated by the assessment ratio study. Accordingly,  
37 the effective date of the operation of this section as amended and reenacted during 2014, and  
38 the effective date of the operation of the repeal of section two-a of this article and the operation  
39 of the repeal of section five-b, article one-c, chapter eleven of this code, all as provided under this  
40 enactment, are expressly made retrospective to June 30, 2013.

41           (c) Whenever in any year a county assessor or a county commission fails or refuses to  
42 comply with this section in setting the valuations of property for assessment purposes in any class  
43 or classes of property in the county, the State Tax Commissioner shall review the valuations for  
44 assessment purposes made by the county assessor and the county commission and shall direct  
45 the county assessor and the county commission to make corrections in the valuations as  
46 necessary so that they comply with the requirements of chapter eleven of this code and this  
47 section and the Tax Commissioner may enter the county and fix the assessments at the required  
48 ratios. Refusal of the assessor or the county commission to make the corrections constitutes  
49 grounds for removal from office.

50           (d) For the purposes of any computation made in accordance with this section, in any  
51 taxing unit in which tax increment financing is in effect pursuant to article eleven-b, chapter seven  
52 of this code, the assessed value of a related private project shall be the base-assessed value as



53 defined in section two of said article.

54 ~~(e) For purposes of any computation made in accordance with this section, in any county~~  
55 ~~where the county board of education has adopted a resolution choosing to use the Growth County~~  
56 ~~School Facilities Act set forth in section six-f, article eight, chapter eleven of this code, estimated~~  
57 ~~school board revenues generated from application of the regular school board levy rate to new~~  
58 ~~property values, as that term is designated in said section, may not be considered local share~~  
59 ~~funds and shall be subtracted before the computations in subdivisions (1) and (2), subsection (a)~~  
60 ~~of this section are made.~~

61 ~~(f)~~ (e) The Legislature finds that public school systems throughout the state provide  
62 support in varying degrees to public libraries through a variety of means including budgeted  
63 allocations, excess levy funds and portions of their regular school board levies. A number of public  
64 libraries are situated on the campuses of public schools and several are within public school  
65 buildings serving both the students and public patrons. To the extent that public schools recognize  
66 and choose to avail the resources of public libraries toward developing within their students such  
67 legally recognized elements of a thorough and efficient education as literacy, interests in literature,  
68 knowledge of government and the world around them and preparation for advanced academic  
69 training, work and citizenship, public libraries serve a legitimate school purpose and may do so  
70 economically. Therefore, county boards are encouraged to support public libraries within their  
71 counties.

NOTE: The purpose of this bill is to revise certain aspects of the school aid formula, including eliminating the Growth County School Facilities Act and Growth County School Facilities Act Fund, to adjust the formulas for the foundation allowance for professional educations and for service personnel, to adjust and eliminate certain adjustments to the foundation allowance for transportation cost and the allowance to improve instructional programs. It also eliminates restrictions in the computation of local share.

Strike-throughs indicate language that would be stricken from a heading or the present law, and underscoring indicates new language that would be added.