

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

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LLS NO. 20-0291.02 Julie Pelegrin x2700

HOUSE BILL

HOUSE SPONSORSHIP

Esgar,

SENATE SPONSORSHIP

(None),

BILL TOPIC: "School District Uniform Total Program Mill Levy"

A BILL FOR AN ACT

101 CONCERNING THE NUMBER OF PROPERTY TAX MILLS THAT A SCHOOL
102 DISTRICT IS REQUIRED TO LEVY FOR THE SCHOOL DISTRICT'S
103 SHARE OF TOTAL PROGRAM FUNDING.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

For purposes of funding a school district's total program under existing law, each school district is required to levy a specified number of property tax mills. The amount of revenue generated by the levy, plus the revenue the district receives from specific ownership tax, is the district's share of total program. The state share equals the difference

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

between the district's share and the amount of the district's total program.

Beginning with the 2022 property tax year, the bill directs most school districts to levy 27 mills or the number of mills that will result in enough property tax revenue to fully fund the district's total program, whichever is less. If the number of mills required in the bill is an increase in a school district's existing levy, the school district must seek voter approval for the increase. A rural school district that must increase the mill levy by 10 or more mills is not required to seek voter approval to begin increasing the mill levy until the 2024 property tax year. If a school district increases the total program mill levy before it is required to do so, the school district's state share will be calculated based on the number of mills levied in the 2019 property tax year, until the property tax years in which the mill levy is required to increase.

A school district is not required to increase the mill levy by more than one mill each year. A school district may count mills that it levies for additional revenue as total program mills to meet the total program mill levy requirements. If a school district does not levy the number of mills required, the state share for the school district will still be based on the number of mills that the school district is required to levy; except that the total combined district and state share amount that a school district receives must not be less than a specified percentage of the school district's total program. A school district that seeks voter approval to increase the mill levy to a number of mills that will fully fund the district's total program may request voter approval to allow the mill levy to adjust to fluctuations in the district's assessed property value so that the amount of revenue generated does not exceed the district's total program.

Beginning in the 2020-21 budget year and continuing until the general assembly determines that the budget stabilization factor is no longer required, the appropriation for the state share of total program must increase annually by at least the rate of inflation plus the increase in funded pupil count for the applicable budget year.

The school districts and superintendents are encouraged to form working groups to make recommendations to the general assembly by January 2021 concerning appropriate technical assistance for school districts that must hold elections to increase the total program mill levy.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds that:

4 (a) The general assembly has not made comprehensive changes to
5 the method of funding public schools in Colorado since passage of the

1 "Public School Finance Act of 1994";

2 (b) Since 1994, the interaction of certain constitutional provisions
3 and statutory language concerning school district mill levy requirements
4 has resulted in unintended consequences regarding the level of local
5 investment in public education by school districts and the balance of
6 school district and state contributions;

7 (c) In comparing the local investment in public education by
8 school districts across the state, there is little consistency in the level of
9 contribution as demonstrated by the property tax rates among school
10 districts with similar economic attributes;

11 (d) The balance of local and state shares in funding public
12 education is now skewed toward the state share at such a level as to make
13 the required level of state funding unsustainable into the future;

14 (e) To restore a greater level of consistency in the districts' local
15 shares and a sustainable balance between local and state funding of public
16 education, the number of mills that each school district is expected to levy
17 must be reset to a more uniform number;

18 (f) In increasing the school districts' local share by resetting these
19 local mill levies, it is the intent of the general assembly to improve the
20 adequacy of resources available to students by maintaining the level of
21 the state's contribution so as to fully fund the state's share of total program
22 without the reduction currently imposed by the budget stabilization factor;

23 (g) Unlike the existing determination of mill levy rates for public
24 education, the method of resetting the mill levy rates is intentional and
25 based on achieving specific policy goals, including:

26 (I) Setting mill levies at a uniform rate so that the state
27 contribution to the public education system equalizes public education

1 funding across the state for differences in property value among school
2 districts;

3 (II) Increasing tax equity at the taxpayer level so that property
4 owners in different school districts who own property that is of equal
5 value pay the same property tax amount for support of their local public
6 schools, regardless of the school district they are in;

7 (III) Similar to state income tax rates and sales tax rates, ensuring
8 that property tax rates for the local share of total program are the same for
9 taxpayers across the state, regardless of which school district they live in;
10 and

11 (IV) Ensuring that the property tax revenue collected by each
12 school district to support the schools of the school district remains within
13 that school district.

14 (2) The general assembly finds, therefore, that, in furtherance of
15 its constitutional duty to establish and maintain a thorough and uniform
16 system of free public schools throughout the state, the general assembly
17 is authorized to require school districts to seek voter approval to increase
18 the school districts' total program mill levies to a uniform rate of
19 twenty-seven mills or the number of mills required to fully fund total
20 program, whichever is less. The general assembly further finds that, just
21 as the current levels of school finance mill levies evolved over several
22 years, correcting these mill levies to a uniform rate may also take several
23 years.

24 **SECTION 2.** In Colorado Revised Statutes, 22-54-106, **amend**
25 (1)(a)(I), (1)(b)(I), (2)(a) introductory portion, and (2)(c); and **add**
26 (1)(b)(III), (2)(a.3), (2)(a.5), (2)(a.7), (4)(a.5), and (13) as follows:

27 **22-54-106. Local and state shares of district total program -**

1 **definition - repeal.** (1) (a) (I) FOR PROPERTY TAX YEARS BEFORE THE
2 2022 PROPERTY TAX YEAR, every district shall levy the number of mills
3 determined pursuant to ~~paragraph (a) of subsection (2) of this section, and~~
4 SUBSECTION (2)(a) OF THIS SECTION. FOR THE 2022 PROPERTY TAX YEAR
5 ANDEACH PROPERTY TAX YEAR THEREAFTER, EACH DISTRICT SHALL LEVY
6 THE NUMBER OF MILLS DETERMINED PURSUANT TO SUBSECTION (2)(a.3)
7 OF THIS SECTION. The amount of property tax revenue ~~which the~~ THAT A
8 district is entitled to receive from the levy, assuming one hundred percent
9 collection, along with the amount of specific ownership tax revenue paid
10 to the district, as defined in section 22-54-103 (11), ~~shall be~~ IS the
11 district's share of its total program.

12 (b) (I) Except as provided in subsections ~~(1)(b)(III)~~, (11), and (12)
13 of this section, the state's share of a district's total program is the
14 difference between the district's total program and the district's share of
15 its total program.

16 (III) IF IN A BUDGET YEAR A DISTRICT LEVIES A LESSER NUMBER OF
17 MILLS THAN THE NUMBER REQUIRED IN SUBSECTION (2)(a.3) OF THIS
18 SECTION, FOR THAT BUDGET YEAR, THE STATE'S SHARE OF THE DISTRICT'S
19 TOTAL PROGRAM IS THE GREATER OF:

20 (A) AN AMOUNT EQUAL TO WHAT THE STATE'S SHARE OF THE
21 DISTRICT'S TOTAL PROGRAM, CALCULATED PURSUANT TO SUBSECTION
22 (1)(b)(I) OF THIS SECTION, WOULD BE IF THE DISTRICT HAD LEVIED THE
23 NUMBER OF MILLS REQUIRED IN SUBSECTION (2)(a.3) OF THIS SECTION FOR
24 THAT BUDGET YEAR; OR

25 (B) THE AMOUNT NECESSARY TO ENSURE THAT THE COMBINED
26 TOTAL OF THE DISTRICT'S SHARE, CALCULATED ASSUMING ONE HUNDRED
27 PERCENT COLLECTION OF THE AMOUNT OF PROPERTY TAX REVENUE

1 GENERATED BY THE ACTUAL NUMBER OF MILLS LEVIED FOR THAT BUDGET
2 YEAR, AND THE AMOUNT THE DISTRICT RECEIVES FROM THE STATE
3 PURSUANT TO THIS SUBSECTION (1)(b)(III) IS NOT LESS THAN X PERCENT
4 OF THE DISTRICT'S TOTAL PROGRAM AFTER APPLICATION OF THE BUDGET
5 STABILIZATION FACTOR AS CALCULATED PURSUANT TO SECTION 22-54-104
6 FOR THE APPLICABLE BUDGET YEAR.

7 (2) (a) Except as provided in ~~paragraph (c) of this subsection (2);~~
8 SUBSECTION (2)(c) OF THIS SECTION for reorganized districts, for the 2007
9 property tax year and property tax years thereafter THROUGH THE 2019
10 PROPERTY TAX YEAR, each district shall levy the lesser of:

11 (a.3) (I) FOR THE 2022 PROPERTY TAX YEAR AND EACH PROPERTY
12 TAX YEAR THEREAFTER, EACH DISTRICT SHALL LEVY THE LESSER OF:

13 (A) TWENTY-SEVEN MILLS; OR

14 (B) THE NUMBER OF MILLS THAT WILL GENERATE PROPERTY TAX
15 REVENUE IN AN AMOUNT EQUAL TO THE DISTRICT'S TOTAL PROGRAM FOR
16 THE APPLICABLE BUDGET YEAR MINUS THE AMOUNT OF SPECIFIC
17 OWNERSHIP TAX REVENUE PAID TO THE DISTRICT. REGARDLESS OF THE
18 APPLICABILITY OF SECTION 22-54-104 (5)(g), FOR THE PURPOSES OF THIS
19 SUBSECTION (2)(a.3)(I)(B), A DISTRICT'S TOTAL PROGRAM IS THE AMOUNT
20 CALCULATED PURSUANT TO SECTION 22-54-104 (2).

21 (II) IF THE NUMBER OF MILLS THAT A DISTRICT IS REQUIRED TO
22 LEVY PURSUANT TO SUBSECTION (2)(a.3)(I) OF THIS SECTION FOR A
23 PROPERTY TAX YEAR IS GREATER THAN THE NUMBER OF MILLS THAT THE
24 DISTRICT LEVIED IN THE PRECEDING PROPERTY TAX YEAR, THE DISTRICT
25 SHALL SEEK VOTER APPROVAL AS NECESSARY TO COMPLY WITH THE MILL
26 LEVY REQUIREMENTS SPECIFIED IN SUBSECTION (2)(a.3)(I) OF THIS
27 SECTION. NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (2)(a.3)(I)

1 OF THIS SECTION, A DISTRICT MAY INCREMENTALLY INCREASE THE
2 NUMBER OF MILLS LEVIED, BEGINNING IN THE 2022 PROPERTY TAX YEAR,
3 BY INCREASING THE MILL LEVY BY AT LEAST ONE MILL EVERY PROPERTY
4 TAX YEAR UP TO THE NUMBER OF MILLS REQUIRED IN SUBSECTION
5 (2)(a.3)(I) OF THIS SECTION. THE DISTRICT'S SHARE OF TOTAL PROGRAM
6 FOR A BUDGET YEAR IN WHICH THE DISTRICT, IN ACCORDANCE WITH THIS
7 SUBSECTION (2)(a.3)(II), LEVIES FEWER THAN THE NUMBER OF MILLS
8 REQUIRED IN SUBSECTION (2)(a.3)(I) OF THIS SECTION IS CALCULATED
9 BASED ON THE GREATER OF THE ACTUAL NUMBER OF MILLS THE DISTRICT
10 LEVIES, ASSUMING ONE HUNDRED PERCENT COLLECTION, OR THE NUMBER
11 OF MILLS THAT THE DISTRICT IS REQUIRED TO LEVY PURSUANT TO THIS
12 SUBSECTION (2)(a.3)(II), ASSUMING ONE HUNDRED PERCENT COLLECTION.

13 (III) IN A BUDGET YEAR, A DISTRICT MAY COUNT ALL OR ANY
14 PORTION OF THE MILLS THAT THE DISTRICT LEVIES FOR THAT BUDGET YEAR
15 PURSUANT TO SECTION 22-54-108 AS MILLS LEVIED PURSUANT TO THIS
16 SUBSECTION (2)(a.3) TO COMPLY WITH THE REQUIREMENTS SPECIFIED IN
17 SUBSECTIONS (2)(a.3)(I) AND (2)(a.3)(II) OF THIS SECTION.

18 (IV) IF A DISTRICT SEEKS VOTER APPROVAL TO LEVY THE NUMBER
19 OF MILLS THAT WILL GENERATE PROPERTY TAX REVENUE IN AN AMOUNT
20 EQUAL TO THE DISTRICT'S TOTAL PROGRAM AS DESCRIBED IN SUBSECTION
21 (2)(a.3)(I)(B) OF THIS SECTION, THE DISTRICT MAY SEEK VOTER APPROVAL
22 TO ALLOW THE MILL LEVY TO INCREASE OR DECREASE AS NECESSARY TO
23 ENSURE THAT, DUE TO FLUCTUATIONS IN THE DISTRICT'S ASSESSED
24 PROPERTY VALUE, THE AMOUNT OF REVENUE COLLECTED, LESS THE
25 AMOUNT OF SPECIFIC OWNERSHIP TAX REVENUE PAID TO THE DISTRICT, IN
26 A BUDGET YEAR DOES NOT EXCEED THE DISTRICT'S TOTAL PROGRAM FOR
27 THAT BUDGET YEAR.

1 (a.5) (I) NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION
2 (2) TO THE CONTRARY, A RURAL DISTRICT THAT IS REQUIRED BY
3 SUBSECTION (2)(a.3) OF THIS SECTION TO INCREASE ITS MILL LEVY BY TEN
4 MILLS OR MORE IS NOT REQUIRED TO COMPLY WITH SUBSECTION (2)(a.3)
5 OF THIS SECTION OR SEEK VOTER APPROVAL TO INCREASE THE MILL LEVY
6 UNTIL THE 2024 PROPERTY TAX YEAR. SAID DISTRICT IS NOT REQUIRED TO
7 LEVY MORE THAN THE NUMBER OF MILLS REQUIRED IN SUBSECTION (2)(a)
8 OF THIS SECTION THROUGH THE 2023 PROPERTY TAX YEAR.

9 (II) FOR THE PURPOSES OF THIS SUBSECTION (2)(a.5), "RURAL
10 DISTRICT" MEANS A DISTRICT IN COLORADO THAT THE DEPARTMENT OF
11 EDUCATION DETERMINES IS RURAL, BASED ON THE GEOGRAPHIC SIZE OF
12 THE DISTRICT AND THE DISTANCE OF THE DISTRICT FROM THE NEAREST
13 LARGE, URBANIZED AREA.

14 (III) THIS SUBSECTION (2)(a.5) IS REPEALED, EFFECTIVE JULY 1,
15 2025.

16 (a.7) (I) NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION
17 (2) TO THE CONTRARY, A DISTRICT MAY SEEK VOTER APPROVAL TO
18 INCREASE THE NUMBER OF MILLS LEVIED PURSUANT TO THIS SUBSECTION
19 (2), UP TO THE NUMBER OF MILLS SPECIFIED IN SUBSECTION (2)(a.3) OF
20 THIS SECTION, BEFORE THE 2022 PROPERTY TAX YEAR OR THE 2024
21 PROPERTY TAX YEAR, WHICHEVER IS APPLICABLE. IF A DISTRICT OBTAINS
22 VOTER APPROVAL TO INCREASE SAID MILL LEVY BEFORE THE 2022
23 PROPERTY TAX YEAR OR THE 2024 PROPERTY TAX YEAR, THE DISTRICT
24 MAY LEVY THE NUMBER OF VOTER-APPROVED MILLS, BUT THE DISTRICT'S
25 LOCAL SHARE AND STATE SHARE SHALL BE CALCULATED BASED ON THE
26 NUMBER OF MILLS THE DISTRICT IS REQUIRED TO LEVY PURSUANT TO
27 SUBSECTION (2)(a) OF THIS SECTION, ASSUMING ONE HUNDRED PERCENT

1 COLLECTION, UNTIL THE 2022 PROPERTY TAX YEAR OR THE 2024
2 PROPERTY TAX YEAR, WHICHEVER IS APPLICABLE.

3 (II) THIS SUBSECTION (2)(a.7) IS REPEALED, EFFECTIVE JULY 1,
4 2025.

5 (c) (I) Notwithstanding any other provision of this subsection (2),
6 FOR PROPERTY TAX YEARS BEFORE THE 2022 PROPERTY TAX YEAR, if there
7 is a reorganization pursuant to article 30 of this ~~title~~ TITLE 22, except for
8 a detachment and annexation, and if such reorganization involves districts
9 with differing mill levies, then in its first year of operation, the new
10 district shall levy a number of mills that is based on the total property
11 taxes collected in the preceding year from property included within the
12 new district divided by the total valuation for assessment in the preceding
13 year of property located within the new district but in no event more than
14 41.75 mills. This ~~paragraph (c) shall~~ SUBSECTION (2)(c) DOES not apply
15 to ~~any~~ A new district whose levy would otherwise be calculated pursuant
16 to ~~subparagraph (II) of paragraph (a) of this subsection (2)~~ SUBSECTION
17 (2)(a)(II) OF THIS SECTION.

18 (II) FOR PROPERTY TAX YEARS BEFORE THE 2022 PROPERTY TAX
19 YEAR, if there is a detachment and annexation pursuant to article 30 of
20 this ~~title~~ TITLE 22 and if such detachment and annexation involves
21 districts with differing mill levies, then in the first year after the
22 detachment and annexation, the annexing district shall calculate its levy
23 pursuant to ~~paragraph (a) of this subsection (2)~~ SUBSECTION (2)(a) OF THIS
24 SECTION.

25 (III) FOR THE 2022 PROPERTY TAX YEAR AND EACH PROPERTY TAX
26 YEAR THEREAFTER, IF THERE IS A REORGANIZATION PURSUANT TO ARTICLE
27 30 OF THIS TITLE 22, REGARDLESS OF THE RESULTING CHANGE TO DISTRICT

1 BOUNDARIES, EACH DISTRICT INVOLVED IN OR RESULTING FROM THE
2 REORGANIZATION SHALL CALCULATE ITS LEVY PURSUANT TO SUBSECTION
3 (2)(a.3) OR (2)(a.5) OF THIS SECTION, AS APPLICABLE.

4 (4) (a.5) BEGINNING IN THE 2020-21 BUDGET YEAR AND FOR EACH
5 BUDGET YEAR THEREAFTER UNTIL THE GENERAL ASSEMBLY DETERMINES
6 THAT THE STABILIZATION OF THE STATE BUDGET NO LONGER REQUIRES A
7 REDUCTION IN THE AMOUNT OF THE ANNUAL APPROPRIATION TO FUND THE
8 STATE'S SHARE OF TOTAL PROGRAM, THE GENERAL ASSEMBLY SHALL
9 ENSURE THAT THE APPROPRIATION FOR THE STATE SHARE OF TOTAL
10 PROGRAM INCREASES ANNUALLY BY AT LEAST THE RATE OF INFLATION, AS
11 DEFINED IN SECTION 22-55-102, PLUS THE INCREASE IN FUNDED PUPIL
12 COUNT FOR THE APPLICABLE BUDGET YEAR.

13 (13) SCHOOL DISTRICT BOARD OF EDUCATION DIRECTORS AND
14 DISTRICT ADMINISTRATORS, AS REPRESENTED BY STATEWIDE
15 ASSOCIATIONS, ARE ENCOURAGED TO CONVENE ONE OR MORE WORKING
16 GROUPS TO IDENTIFY APPROPRIATE AND NECESSARY FORMS OF TECHNICAL
17 ASSISTANCE TO AID DISTRICTS IN HOLDING SUCCESSFUL ELECTIONS TO
18 INCREASE THE TOTAL PROGRAM MILL LEVY AS PROVIDED IN SUBSECTION
19 (2)(a.3) OF THIS SECTION. THE DISTRICTS ARE ENCOURAGED TO SUBMIT
20 RECOMMENDATIONS TO THE EDUCATION COMMITTEES OF THE SENATE AND
21 THE HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEES, BY
22 JANUARY 15, 2021.

23 **SECTION 3.** In Colorado Revised Statutes, 22-45-103, **amend**
24 (1)(k) as follows:

25 **22-45-103. Funds.** (1) The following funds are created for each
26 school district for purposes specified in this article 45:

27 (k) **Total program reserve fund.** A school district shall deposit

1 the property tax revenues that it collects from a tax levy imposed pursuant
2 to section 22-54-107 (5) in the total program reserve fund of the district.
3 The district may expend money from the total program reserve fund only
4 to offset the amount of a reduction in the district's state share caused by
5 application of the budget stabilization factor pursuant to section
6 22-54-104 (5)(g); except that, in a budget year in which the school district
7 levies for its total program the number of mills calculated pursuant to
8 section 22-54-106 (2)(a)(II) OR (2)(a.3)(I)(B), WHICHEVER IS APPLICABLE,
9 if the balance of the total program reserve fund exceeds an amount equal
10 to the district's total program for that budget year multiplied by the budget
11 stabilization factor calculated pursuant to section 22-54-104 (5)(g) for
12 that budget year, the district may expend the amount of the excess
13 balance. Any money remaining in the fund at the end of a fiscal year must
14 remain in the fund and may be used in future years only as provided in
15 this subsection (1)(k).

16 **SECTION 4.** In Colorado Revised Statutes, 22-54-104, **amend**
17 (5)(g)(IV) and (5)(g)(V) as follows:

18 **22-54-104. District total program - definitions.** (5) For
19 purposes of the formulas used in this section:

20 (g) (IV) For the 2010-11 budget year, and each budget year
21 thereafter, the total program funding for a district that levies the number
22 of mills calculated pursuant to section 22-54-106 (2)(a)(II) ~~shall be~~ OR
23 (2)(a.3)(I)(B), WHICHEVER IS APPLICABLE, IS the amount calculated
24 pursuant to subsection (2) of this section for the applicable budget year.
25 Any such district shall use the revenues generated by the number of mills
26 that the district levies pursuant to section 22-54-106 (2)(a)(II) OR
27 (2)(a.3)(I)(B), WHICHEVER IS APPLICABLE, to replace any categorical

1 program support funds that the district would otherwise be eligible to
2 receive from the state; except that the amount of categorical program
3 support funds that the district is required to replace ~~shall~~ MUST not exceed
4 an amount equal to the district's reduction amount. The department shall
5 use the amount of categorical program support funds replaced by property
6 tax revenue pursuant to this ~~subparagraph (IV)~~ SUBSECTION (5)(g)(IV) to
7 make payments of categorical program support funds to eligible districts
8 as specified in section 22-54-107 (4).

9 (V) For the 2010-11 budget year and each budget year thereafter,
10 if a district levies the number of mills calculated pursuant to ~~section~~
11 ~~22-54-106 (2)(a)(I)~~ SECTION 22-54-106 (2)(a)(I), (2)(a.3)(I)(A), OR
12 (2)(a.3)(II), WHICHEVER IS APPLICABLE, and the district's reduction
13 amount exceeds the district's state share of total program funding, ~~such~~
14 THE district's total program funding ~~shall be~~ IS the amount calculated
15 pursuant to subsection (2) of this section for the applicable budget year,
16 minus the district's state aid. Any such district shall use the revenues
17 generated by the number of mills that the district levies pursuant to
18 ~~section 22-54-106 (2)(a)(I)~~ SECTION 22-54-106 (2)(a)(I), (2)(a.3)(I)(A),
19 OR (2)(a.3)(II), WHICHEVER IS APPLICABLE, to replace any categorical
20 program support funds that the district would otherwise be eligible to
21 receive from the state; except that the amount of categorical program
22 support funds that the district is required to replace ~~shall~~ MUST not exceed
23 an amount equal to the remainder of the district's reduction amount after
24 the reduction to the district's total program has been applied pursuant to
25 this ~~subparagraph (V)~~ SUBSECTION (5)(g)(V). The department of
26 education shall use the amount of categorical program support funds
27 replaced by property tax revenue pursuant to this ~~subparagraph (V)~~

1 SUBSECTION (5)(g)(V) to make payments of categorical program support
2 funds to eligible districts as specified in section 22-54-107 (4).

3 **SECTION 5.** In Colorado Revised Statutes, 22-54-107, **amend**
4 (1) and (5) as follows:

5 **22-54-107. Buy-out of categorical programs - total program**
6 **reserve fund levy.** (1) If a district levies the number of mills calculated
7 pursuant to section 22-54-106 (2)(a)(II) OR (2)(a.3)(I)(B), WHICHEVER IS
8 APPLICABLE, the district shall make an additional levy to generate
9 property tax revenue in an amount equal to the amount of categorical
10 support funds; except that the total of the two levies cannot exceed:

11 (a) FOR PROPERTY TAX YEARS BEFORE THE 2022 PROPERTY TAX
12 YEAR, the lesser of the district's levy for the immediately preceding year,
13 the district's allowable levy under the property tax revenue limitation
14 imposed on the district by section 20 of article X of the state constitution
15 if the district has not obtained voter approval to retain and spend revenues
16 in excess of such property tax revenue limitation, or twenty-seven mills;
17 OR

18 (b) FOR THE 2022 PROPERTY TAX YEAR AND PROPERTY TAX YEARS
19 THEREAFTER, THE DISTRICT'S LEVY FOR THE IMMEDIATELY PRECEDING
20 YEAR.

21 (5) For the 2016-17 budget year and each budget year thereafter,
22 if a district levies the number of mills calculated pursuant to section
23 22-54-106 (2)(a)(II) OR (2)(a.3)(I)(B), WHICHEVER IS APPLICABLE, and the
24 additional mill levy described in subsection (1) of this section for
25 categorical support funds, and the combined total of the two levies is less
26 than the number of mills that the district levied in the preceding budget
27 year, the district, in addition to the two levies, shall assess a number of

1 mills equal to the difference between the combined total of the two levies
2 and the number of mills levied in the preceding budget year. The district
3 shall deposit the property tax revenue collected from the mills levied
4 pursuant to this subsection (5) in the total program reserve fund created
5 in section 22-45-103 (1)(k).

6 **SECTION 6. Safety clause.** The general assembly hereby finds,
7 determines, and declares that this act is necessary for the immediate
8 preservation of the public peace, health, or safety.