

HOUSE WAYS AND MEANS COMMITTEE SUBSTITUTE FOR
HOUSE BILL 333

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

AN ACT

RELATING TO TAXATION; ENACTING THE EQUAL OPPORTUNITY
SCHOLARSHIP ACT; PROVIDING FOR TUITION SCHOLARSHIP
ORGANIZATIONS TO GRANT EDUCATIONAL SCHOLARSHIPS TO LOW-INCOME
STUDENTS TO ATTEND CERTAIN SCHOOLS; CREATING INCOME TAX AND
CORPORATE INCOME TAX CREDITS FOR CONTRIBUTIONS TO TUITION
SCHOLARSHIP ORGANIZATIONS THAT PROVIDE EDUCATIONAL SCHOLARSHIPS
FOR LOW-INCOME STUDENTS TO ATTEND CERTAIN SCHOOLS OF THE
STUDENT'S PARENTS' CHOICE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. [NEW MATERIAL] SHORT TITLE.--Sections 1
through 5 of this act may be cited as the "Equal Opportunity
Scholarship Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the
Equal Opportunity Scholarship Act:

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underscoring material = new
[bracketed material] = delete

1 A. "certification document" means the document
2 issued by the department to an organization verifying that the
3 organization is a tuition scholarship organization and
4 contributions to that organization for equal opportunity
5 scholarships may be claimed as an equal opportunity scholarship
6 tax credit;

7 B. "contribution receipt" means a document
8 developed by the taxation and revenue department pursuant to
9 the Equal Opportunity Scholarship Act and provided to a tuition
10 scholarship organization that in turn provides the document to
11 an individual or corporate contributor that is a taxpayer that
12 intends to claim an equal opportunity scholarship tax credit as
13 a receipt for a contribution to the tuition scholarship
14 organization;

15 C. "department" means the public education
16 department;

17 D. "educational scholarship" means a tuition grant
18 or other grant of funds to an eligible student to cover all or
19 part of the costs of that student at a qualified school,
20 including transportation costs;

21 E. "eligible student" means a student who:
22 (1) is a member of a household for which the
23 total annual income does not exceed an amount used to qualify
24 for a reduced-price lunch through the federal school lunch
25 programs established pursuant to 42 USCA Sections 1751 through

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1 1769, as amended; provided that once a student receives a
2 scholarship pursuant to the Equal Opportunity Scholarship Act,
3 the student shall remain eligible regardless of household
4 income until the student graduates from high school or reaches
5 twenty-one years of age;

6 (2) attended a New Mexico public school for a
7 full school year prior to first receiving an educational
8 scholarship pursuant to the Equal Opportunity Scholarship Act
9 or is starting school in New Mexico for the first time; and

10 (3) resides in New Mexico while receiving a
11 scholarship from a tuition scholarship organization;

12 F. "equal opportunity scholarship tax credit" means
13 the equal opportunity scholarship income tax credit provided in
14 the Income Tax Act and the equal opportunity scholarship
15 corporate income tax credit provided in the Corporate Income
16 and Franchise Tax Act;

17 G. "home school" means the operation by the parent
18 of a school-age person of a home study program of instruction
19 that provides a basic academic educational program, including
20 reading, language arts, mathematics, social studies and
21 science;

22 H. "parent" means a guardian, custodian or other
23 person with authority to act on behalf of a child;

24 I. "qualified school" means a nonpublic
25 elementary, middle or secondary school located in New Mexico to

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1 which a parent has chosen to send an eligible student.

2 "Qualified school" does not include a home school;

3 J. "relative" means a person related by affinity or
4 consanguinity to the third degree;

5 K. "tuition grant" means a grant of funds for the
6 purpose of covering the costs of tuition for a qualified
7 school; and

8 L. "tuition scholarship organization" means an
9 organization that provides educational scholarships to students
10 attending qualified schools of their parents' choice and that
11 meets the criteria established in the Equal Opportunity
12 Scholarship Act.

13 SECTION 3. [NEW MATERIAL] TUITION SCHOLARSHIP
14 ORGANIZATION--CERTIFICATION.--

15 A. An organization may seek certification from the
16 department as a tuition scholarship organization by submitting
17 an application for certification to the department.

18 B. To be certified as a tuition scholarship
19 organization by the department, the organization shall provide
20 documentation as deemed appropriate by the department to verify
21 that:

22 (1) the tuition scholarship organization has
23 been granted an exemption from federal income tax as an
24 organization described in Section 501(c)(3) of the federal
25 Internal Revenue Code of 1986;

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1 (2) the tuition scholarship organization has
2 awarded or intends to award educational scholarships to
3 eligible students who are attending or plan to attend qualified
4 schools;

5 (3) the scholarships are funded from
6 contributions that the tuition scholarship organization has
7 received in or prior to the current calendar year or
8 anticipates receiving during the remainder of the calendar year
9 and:

10 (a) at least ninety percent of the
11 contributions received during a calendar year for which the
12 tuition scholarship organization issues a contribution receipt
13 to an individual or corporate taxpayer for purposes of
14 obtaining an equal opportunity scholarship tax credit is
15 awarded by the organization as educational scholarships and all
16 revenue from interest or investments is expended solely on
17 educational scholarships in the same calendar year; and

18 (b) a scholarship award to an eligible
19 student shall not exceed eighty percent of the three-year
20 rolling average of the final unit value multiplied by the
21 quotient of the final membership units divided by the total
22 membership used to determine the prior year final unit value;

23 (4) the tuition scholarship organization
24 distributes scholarship payments each semester as checks that
25 are mailed to the qualified school in which the eligible

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1 student is enrolled and that require the endorsement of the
2 parent and the qualified school prior to deposit of the check;

3 (5) educational scholarships awarded by the
4 tuition scholarship organization are portable during the school
5 year and can be used at any qualified school that accepts the
6 eligible student according to a parent's wishes; provided that
7 the scholarship shall be prorated between schools based on the
8 number of days attended at each school by the eligible student;
9 provided further that, if a student withdraws from a private
10 school during a school year for which that student was provided
11 a scholarship and returns to a public school, the prorated
12 amount of the scholarship shall be directed to the statewide
13 equalization guarantee distribution;

14 (6) criminal background checks on all of the
15 tuition scholarship organization's employees and board members
16 have been conducted by the organization, with the understanding
17 that individuals who might reasonably pose a risk to the sound
18 fiscal management of the funds of the organization shall be
19 excluded from employment or governance, and all pertinent
20 findings on employees and board members have been provided to
21 the department for review and approval;

22 (7) the tuition scholarship organization has
23 in place systems to provide for financial accountability,
24 including independent annual audits that shall be submitted to
25 the department in the form of a financial information report

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1 that complies with generally accepted accounting procedures as
 2 specified by the department and is certified to be free of
 3 material misstatements by the certified public accountant who
 4 performed the audit;

5 (8) the tuition scholarship organization is
 6 financially viable and receives or is likely to receive
 7 donations of fifty thousand dollars (\$50,000) or more during a
 8 school year by filing with the department prior to the start of
 9 the school year a surety bond payable to the state in an amount
 10 equal to the aggregate amount of contributions expected to be
 11 received during the school year; and

12 (9) the tuition scholarship organization
 13 prioritizes scholarships for eligible students currently
 14 attending or living within the boundaries of a low-performing
 15 school as identified by the statewide school grading system.

16 SECTION 4. [NEW MATERIAL] TUITION SCHOLARSHIP

17 ORGANIZATION--DUTIES.--

18 A. No later than thirty days prior to the start of
 19 a new school year or the start of a new semester, a tuition
 20 scholarship organization shall provide to the department the
 21 names of eligible students who received scholarships and the
 22 students' previous school district or charter school
 23 affiliation. The tuition scholarship organization shall
 24 provide verification that the qualified students have been
 25 awarded a tuition scholarship and have enrolled in a nonpublic

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1 school for the new school year or the new semester.

2 B. A tuition scholarship organization shall ensure
3 that a school participating in the tuition scholarship
4 organization's scholarship program certifies that the school:

5 (1) is in compliance with all health and
6 safety laws or rules that apply to schools;

7 (2) holds a valid occupancy permit as required
8 by applicable laws;

9 (3) does not discriminate in admissions on the
10 basis of sex, gender, religion, sexuality, ethnicity, race,
11 color or national origin;

12 (4) provides academic accountability to
13 parents of the students in the program by regularly reporting
14 to the parent on the student's academic and developmental
15 progress;

16 (5) ensures that every school employee with
17 unsupervised access to students has undergone a background
18 check as described in Subsection B of Section 22-10A-5 NMSA
19 1978;

20 (6) has no paid staff or board members who are
21 also staff or board members of the tuition scholarship
22 organization or who are relatives of the staff or board members
23 of the tuition scholarship organization;

24 (7) gives enrollment preference to eligible
25 students who were enrolled at the school in the prior year and

1 to siblings of eligible students already admitted to or
2 attending the school; and

3 (8) is a qualified school and, if the school
4 has more applications for educational scholarships from
5 eligible students than positions available for students
6 receiving scholarships, the school fills the available
7 scholarship positions only by using a random selection process.

8 C. By June 1 of each year beginning in 2016, a
9 tuition scholarship organization shall report the following
10 information to the department and the taxation and revenue
11 department:

12 (1) the name and address of the tuition
13 scholarship organization;

14 (2) the total number and dollar amount of
15 contributions received for which contribution receipts were
16 issued during the calendar year ending on December 31 of the
17 prior year;

18 (3) the total number and dollar amount of all
19 educational scholarships awarded during the calendar year
20 ending on December 31 of the prior year; and

21 (4) the total number and dollar amount of
22 educational scholarships awarded to eligible students during
23 the calendar year ending on December 31 of the prior year.

24 D. A tuition scholarship organization shall:

25 (1) provide to each individual and corporate

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1 contributor of funds dedicated for educational scholarships a
2 contribution receipt that shall be completed according to
3 taxation and revenue department requirements;

4 (2) maintain a list by the sequential number
5 on the contribution receipt identifying to whom each copy is
6 issued, the amount and date of the contribution and any other
7 information deemed necessary by the taxation and revenue
8 department to allow the contributor to receive an equal
9 opportunity scholarship tax credit;

10 (3) account for all copies of contribution
11 receipts damaged, destroyed, lost or otherwise unusable; and

12 (4) engage an auditor to conduct a financial
13 and program unit audit of a tuition scholarship organization,
14 at the expense of the tuition scholarship organization, on an
15 annual basis.

16 SECTION 5. [NEW MATERIAL] DEPARTMENT--DUTIES.--

17 A. The department shall administer the Equal
18 Opportunity Scholarship Act.

19 B. The department shall:

20 (1) provide the name of each certified tuition
21 scholarship organization to the taxation and revenue department
22 by no later than thirty days after issuing the certification
23 document to the tuition scholarship organization;

24 (2) upon notification by the tuition
25 scholarship organization, calculate the associated program

1 units by multiplying the prior year final unit value by the
2 quotient derived by dividing the final membership units by the
3 total membership used to determine the prior year final unit
4 value;

5 (3) if an eligible student receiving an
6 educational scholarship withdraws prior to the start of a new
7 school year, deduct the amount calculated pursuant to Paragraph
8 (2) of Subsection B of this section from the student's previous
9 school district or charter school state equalization guarantee
10 distribution allocation prior to distribution;

11 (4) if an eligible student receiving an
12 educational scholarship withdraws between semesters, make a
13 reduction equal to the amount calculated pursuant to Paragraph
14 (2) of Subsection B of this section in the school district's or
15 charter school's distribution for the remainder of the school
16 year and not distribute the funds attributed to the
17 adjustments, which shall remain undistributed and shall revert
18 to the general fund at the end of the fiscal year;

19 (5) deny, suspend or revoke the certification
20 of a tuition scholarship organization for purposes of the equal
21 opportunity scholarship tax credit if the department determines
22 that the organization has intentionally and substantially
23 failed to comply with the requirements of the Equal Opportunity
24 Scholarship Act; and

25 (6) notify the taxation and revenue department

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1 if the certification of an organization as a tuition
2 scholarship organization is denied, suspended or revoked within
3 ten days of the denial, suspension or revocation.

4 SECTION 6. A new section of the Income Tax Act is enacted
5 to read:

6 "[NEW MATERIAL] EQUAL OPPORTUNITY SCHOLARSHIP INCOME TAX
7 CREDIT.--

8 A. Prior to January 1, 2020, a taxpayer who files a
9 New Mexico income tax return, is not a dependent of another
10 taxpayer and makes a contribution to a tuition scholarship
11 organization pursuant to this section may apply for, and the
12 department may allow, a tax credit against the taxpayer's
13 liabilities imposed pursuant to the Income Tax Act. The tax
14 credit provided by this section may be referred to as the
15 "equal opportunity scholarship income tax credit".

16 B. The purpose of the equal opportunity scholarship
17 income tax credit is to encourage individuals and businesses to
18 contribute money to tuition scholarship organizations that
19 provide scholarships for eligible students to attend nonpublic
20 schools that are chosen by the students' parents.

21 C. The amount of an equal opportunity scholarship
22 income tax credit shall equal ninety percent of the total
23 contributions made by a taxpayer in a taxable year to a tuition
24 scholarship organization but shall not exceed the lesser of ten
25 thousand dollars (\$10,000) or fifty percent of the taxpayer's

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1 liabilities imposed pursuant to the Income Tax Act for that
2 taxable year. If the total amount of equal opportunity
3 scholarship income tax credits, including amounts carried
4 forward from previous years, exceeds fifty percent of the
5 taxpayer's liabilities imposed pursuant to the Income Tax Act
6 for the taxable year in which a contribution was made, the
7 excess may be carried forward for three consecutive taxable
8 years.

9 D. The department may allow a maximum annual
10 aggregate of five million dollars (\$5,000,000) for equal
11 opportunity scholarship income tax credits and equal
12 opportunity scholarship corporate income tax credits.
13 Completed applications for the tax credits shall be considered
14 in the order received by the department. A taxpayer who
15 submits an application for a tax credit but is unable to
16 receive the tax credit due to the limitation in this subsection
17 shall be placed for the subsequent year at the front of a queue
18 of tax credit claimants submitting claims in the subsequent
19 year in the order of the date on which the application was
20 received.

21 E. To receive an equal opportunity scholarship
22 income tax credit, a taxpayer shall apply to the department on
23 forms and in the manner prescribed by the department. The
24 application shall include a numbered copy of the contribution
25 receipt provided by the tuition scholarship organization to the

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1 taxpayer pursuant to Subsection G of this section.

2 F. To ensure that the department receives the
3 information needed to allow an equal opportunity scholarship
4 income tax credit, the department shall develop a contribution
5 receipt that requests all of the information needed by the
6 department to determine if a credit may be allowed. The
7 contribution receipts shall be sequentially numbered, and a
8 charge, not to exceed fifty cents (\$.50) per numbered copy, may
9 be charged by the department to the tuition scholarship
10 organization.

11 G. Upon receiving notice from the public education
12 department that an organization has been certified as a tuition
13 scholarship organization, the taxation and revenue department
14 shall provide sequentially numbered copies of contribution
15 receipts to the tuition scholarship organization to be
16 distributed by the tuition scholarship organization to its
17 contributors to indicate the recipient, date and value of a
18 contribution to the tuition scholarship organization and other
19 information required by the taxation and revenue department.

20 H. The equal opportunity scholarship income tax
21 credit shall not be allowed for a contribution that is included
22 for the taxable year in the taxpayer's itemized deductions, as
23 defined in Section 63 of the Internal Revenue Code.

24 I. Married individuals who file separate returns
25 for a taxable year in which they could have filed a joint

1 return may each claim only one-half of the equal opportunity
2 scholarship income tax credit that would have been allowed on a
3 joint return.

4 J. A taxpayer who otherwise qualifies for and
5 claims an equal opportunity scholarship income tax credit for a
6 contribution made to a tuition scholarship organization by a
7 partnership or other business association of which the taxpayer
8 is a member may claim a credit only in proportion to the
9 taxpayer's interest in the partnership or business association.
10 The total credit claimed in the aggregate by all members of the
11 partnership or business association in a taxable year with
12 respect to a contribution made to a tuition scholarship
13 organization, including equal opportunity scholarship corporate
14 income tax credits claimed by a corporate member of the
15 partnership or business association, shall not exceed the
16 maximum credit that would have been allowable pursuant to this
17 section if claimed by a single taxpayer.

18 K. A taxpayer allowed a tax credit pursuant to this
19 section shall report the amount of the credit to the department
20 in a manner required by the department.

21 L. The department shall compile an annual report on
22 the equal opportunity scholarship income tax credit that shall
23 include the number of taxpayers approved by the department to
24 receive the credit, the aggregate amount of credits approved
25 and any other information necessary to evaluate the

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1 effectiveness of the credit. Beginning in 2019 and every three
2 years thereafter that the credit is in effect, the department
3 shall compile and present the annual reports to the revenue
4 stabilization and tax policy committee and the legislative
5 finance committee with an analysis of the effectiveness and
6 cost of the tax credit and whether the tax credit is performing
7 the purpose for which it was created.

8 M. As used in this section:

9 (1) "eligible student" means a student who:

10 (a) is a member of a household for which
11 the total annual income does not exceed an amount used to
12 qualify for a reduced-price lunch through the federal school
13 lunch programs established pursuant to 42 USCA Sections 1751
14 through 1769, as amended; provided that once a student receives
15 a scholarship pursuant to the Equal Opportunity Scholarship
16 Act, the student shall remain eligible regardless of household
17 income until the student graduates from high school or reaches
18 twenty-one years of age;

19 (b) attended a New Mexico public school
20 for a full school year prior to first receiving an educational
21 scholarship pursuant to the Equal Opportunity Scholarship Act
22 or is starting school in New Mexico for the first time; and

23 (c) resides in New Mexico while
24 receiving a scholarship from a tuition scholarship
25 organization;

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1 (2) "parent" means a guardian, custodian or
2 other person with authority to act on behalf of a child; and

3 (3) "tuition scholarship organization" means
4 an organization that provides educational scholarships to
5 students attending qualified schools of their parents' choice
6 and that meets the requirements of the Equal Opportunity
7 Scholarship Act."

8 SECTION 7. A new section of the Corporate Income and
9 Franchise Tax Act is enacted to read:

10 "[NEW MATERIAL] EQUAL OPPORTUNITY SCHOLARSHIP CORPORATE
11 INCOME TAX CREDIT.--

12 A. Prior to January 1, 2020, a taxpayer that files
13 a New Mexico corporate income tax return and makes a
14 contribution to a tuition scholarship organization pursuant to
15 this section may apply for, and the department may allow, a tax
16 credit against the taxpayer's liabilities imposed pursuant to
17 the Corporate Income and Franchise Tax Act. The tax credit
18 provided by this section may be referred to as the "equal
19 opportunity scholarship corporate income tax credit".

20 B. The purpose of the equal opportunity scholarship
21 corporate income tax credit is to encourage corporations to
22 contribute money to tuition scholarship organizations that
23 provide scholarships for eligible students to attend nonpublic
24 schools that are chosen by the students' parents.

25 C. The amount of an equal opportunity scholarship

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1 corporate income tax credit shall equal ninety percent of the
2 total contributions made by a taxpayer in a taxable year to a
3 tuition scholarship organization but shall not exceed the
4 lesser of twenty thousand dollars (\$20,000) or fifty percent of
5 the taxpayer's liabilities imposed pursuant to the Corporate
6 Income and Franchise Tax Act for that taxable year. If the
7 total amount of equal opportunity scholarship corporate income
8 tax credits, including amounts carried forward from previous
9 years, exceeds fifty percent of the taxpayer's liabilities
10 imposed pursuant to the Corporate Income and Franchise Tax Act
11 for the taxable year in which a contribution was made, the
12 excess may be carried forward for three consecutive taxable
13 years.

14 D. The department may allow a maximum annual
15 aggregate of five million dollars (\$5,000,000) for equal
16 opportunity scholarship income tax credits and equal
17 opportunity scholarship corporate income tax credits.
18 Completed applications for the tax credits shall be considered
19 in the order received by the department. A taxpayer that
20 submits an application for a tax credit but is unable to
21 receive the tax credit due to the limitation in this subsection
22 shall be placed for the subsequent year at the front of a queue
23 of tax credit claimants submitting claims in the subsequent
24 year in the order of the date on which the application was
25 received.

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1 E. To receive an equal opportunity scholarship
2 corporate income tax credit, a taxpayer shall apply to the
3 department on forms and in the manner prescribed by the
4 department. The application shall include a numbered copy of
5 the contribution receipt provided by the tuition scholarship
6 organization to the taxpayer pursuant to Subsection G of this
7 section.

8 F. To ensure that the department receives the
9 information needed to allow an equal opportunity scholarship
10 corporate income tax credit, the department shall develop a
11 contribution receipt that requests all of the information
12 needed by the department to determine if a credit may be
13 allowed. The contribution receipts shall be sequentially
14 numbered, and a charge, not to exceed fifty cents (\$.50) per
15 numbered copy, may be charged by the department to the tuition
16 scholarship organization.

17 G. Upon receiving notice from the public education
18 department that an organization has been certified as a tuition
19 scholarship organization, the taxation and revenue department
20 shall provide sequentially numbered copies of contribution
21 receipts to a tuition scholarship organization to be
22 distributed by the tuition scholarship organization to its
23 contributors to indicate the recipient, date and value of a
24 contribution to the tuition scholarship organization and other
25 information required by the taxation and revenue department.

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1 H. The equal opportunity scholarship corporate
2 income tax credit shall not be allowed for a contribution that
3 is included for the taxable year in the taxpayer's itemized
4 deductions, as defined in Section 63 of the Internal Revenue
5 Code.

6 I. A taxpayer allowed a tax credit pursuant to this
7 section shall report the amount of the credit to the department
8 in a manner required by the department.

9 J. The department shall compile an annual report on
10 the equal opportunity scholarship corporate income tax credit
11 that shall include the number of taxpayers approved by the
12 department to receive the credit, the aggregate amount of
13 credits approved and any other information necessary to
14 evaluate the effectiveness of the credit. Beginning in 2019
15 and every three years thereafter that the credit is in effect,
16 the department shall compile and present the annual reports to
17 the revenue stabilization and tax policy committee and the
18 legislative finance committee with an analysis of the
19 effectiveness and cost of the tax credit and whether the tax
20 credit is performing the purpose for which it was created.

21 K. As used in this section:

22 (1) "eligible student" means a student who:

23 (a) is a member of a household for which
24 the total annual income does not exceed an amount used to
25 qualify for a reduced-price lunch through the federal school

1 lunch programs established pursuant to 42 USCA Sections 1751
 2 through 1769, as amended; provided that once a student receives
 3 a scholarship pursuant to the Equal Opportunity Scholarship
 4 Act, the student shall remain eligible regardless of household
 5 income until the student graduates from high school or reaches
 6 twenty-one years of age;

7 (b) attended a New Mexico public school
 8 for a full school year prior to first receiving an educational
 9 scholarship pursuant to the Equal Opportunity Scholarship Act
 10 or is starting school in New Mexico for the first time; and

11 (c) resides in New Mexico while
 12 receiving a scholarship from a tuition scholarship
 13 organization;

14 (2) "parent" means a guardian, custodian or
 15 other person with authority to act on behalf of a child; and

16 (3) "tuition scholarship organization" means
 17 an organization that provides educational scholarships to
 18 students attending qualified schools of their parents' choice
 19 pursuant to the Equal Opportunity Scholarship Act."

20 **SECTION 8.** Section 22-8-12.1 NMSA 1978 (being Laws 1978,
 21 Chapter 128, Section 5, as amended) is amended to read:

22 "22-8-12.1. MEMBERSHIP PROJECTIONS AND BUDGET
 23 REQUESTS.--

24 A. Each local school board or governing body of a
 25 state-chartered charter school shall submit annually, on or

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1 before October 15, to the department:

2 (1) an estimate for the succeeding fiscal year
3 of:

4 (a) the membership of qualified students
5 to be enrolled in the basic program, adjusted for deductions
6 due to student participation in the scholarship programs of the
7 Equal Opportunity Scholarship Act;

8 (b) the full-time-equivalent membership
9 of students to be enrolled in approved early childhood
10 education programs; and

11 (c) the membership of students to be
12 enrolled in approved special education programs, adjusted for
13 deductions due to student participation in the scholarship
14 programs of the Equal Opportunity Scholarship Act;

15 (2) all other information necessary to
16 calculate program costs; and

17 (3) any other information related to the
18 financial needs of the school district or state-chartered
19 charter school as may be requested by the department.

20 B. All information requested pursuant to Subsection
21 A of this section shall be submitted on forms prescribed and
22 furnished by the department and shall comply with the
23 department's rules and procedures.

24 C. The department shall:

25 (1) review the financial needs of each school

1 district or state-chartered charter school for the succeeding
2 fiscal year; and

3 (2) submit annually, on or before November 30,
4 to the secretary of finance and administration the
5 recommendations of the department for:

6 (a) amendments to the public school
7 finance formula;

8 (b) appropriations for the succeeding
9 fiscal year to the public school fund for inclusion in the
10 executive budget document; and

11 (c) appropriations for the succeeding
12 fiscal year for pupil transportation and instructional
13 materials."

14 SECTION 9. APPLICABILITY.--The provisions of Sections 6
15 and 7 of this act apply to taxable years beginning on or after
16 January 1, 2016.

17 SECTION 10. EFFECTIVE DATE.--

18 A. The effective date of the provisions of Sections
19 1 through 5 and 8 of this act is July 1, 2015.

20 B. The effective date of the provisions of Sections
21 6 and 7 of this act is January 1, 2016.