



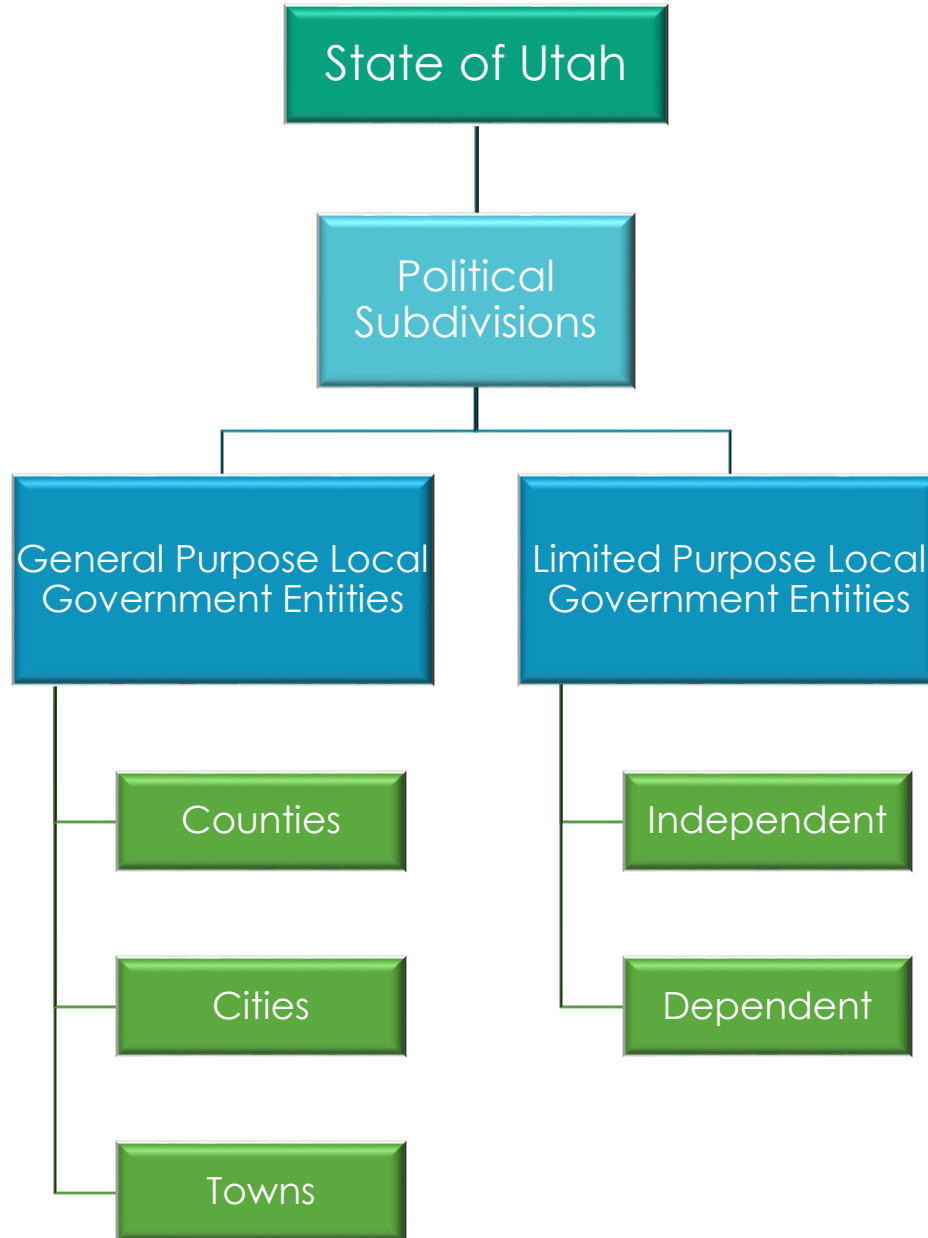
# Limited Purpose Local Government Entities

Political Subdivisions Interim Committee - June 2016

# Agenda

1. Review legislative history and purpose of limited purpose local government entities
  
2. Compare entities
  - Purpose
  - Creation process
  - Governance
  - Source of revenue
  - Fiscal procedures and oversight
  - Dissolution process
  
3. Discuss policy issues

# What is a limited purpose local government?



“Authorized by state law to provide only one or a limited number of designated functions, and with sufficient administrative and fiscal autonomy to qualify as separate governments.”  
U.S. Census Bureau

# Today's focus

## Entities under the Political Subdivisions Interim Committee's Jurisdiction:

- Local District
- Special Service District
- Assessment Area
- Community Reinvestment Agency
- Interlocal Entity
- Conservation District
- Local Building Authority

# Benefits and challenges

## Benefits

- Supplement services provided by a general purpose government
- Overcome jurisdictional and financial barriers
- Direct cost-benefit

## Challenges

- Accountability
- Transparency
- Fragmented service provision

# Legislative history

1913

- Utah Code authorizes the formation of districts

Pre-1990

- Service districts and other local government financing mechanisms scattered throughout Utah Code

1990

- SB 57, Recodification of Special Districts

2006

- SB 196, Revisions to Redevelopment Agency Provisions

2007

- HB 65, Special and Local Districts Amendments

2008

- SB 47, Limited Purpose Local Government Entities Revisions

2014

- HB 17, Interlocal Act Amendments

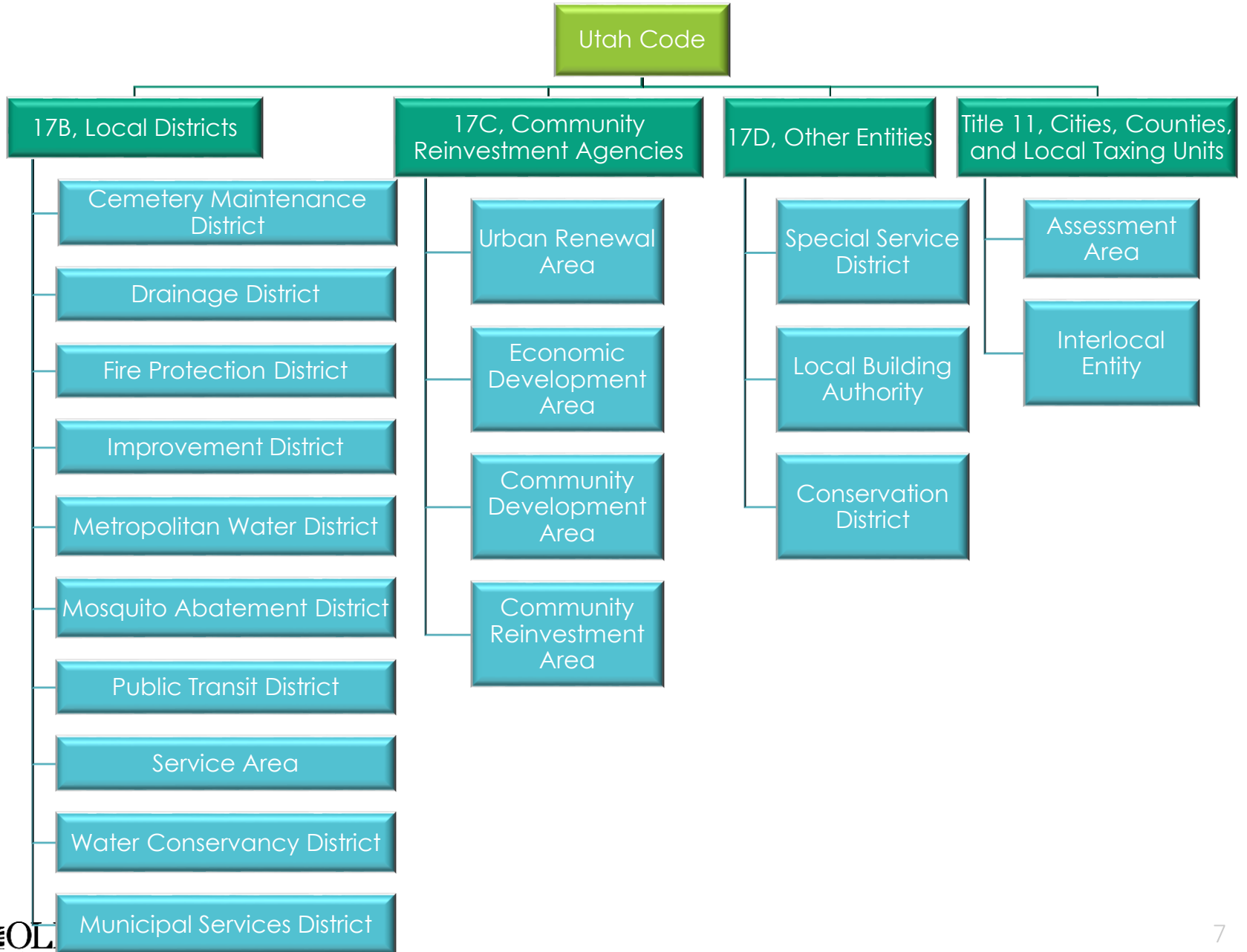
2015

- HB 190, Assessment Area Act Modifications

2016

- SB 151, Community Development and Renewal Agencies Act Amendments

# Today's statutory framework

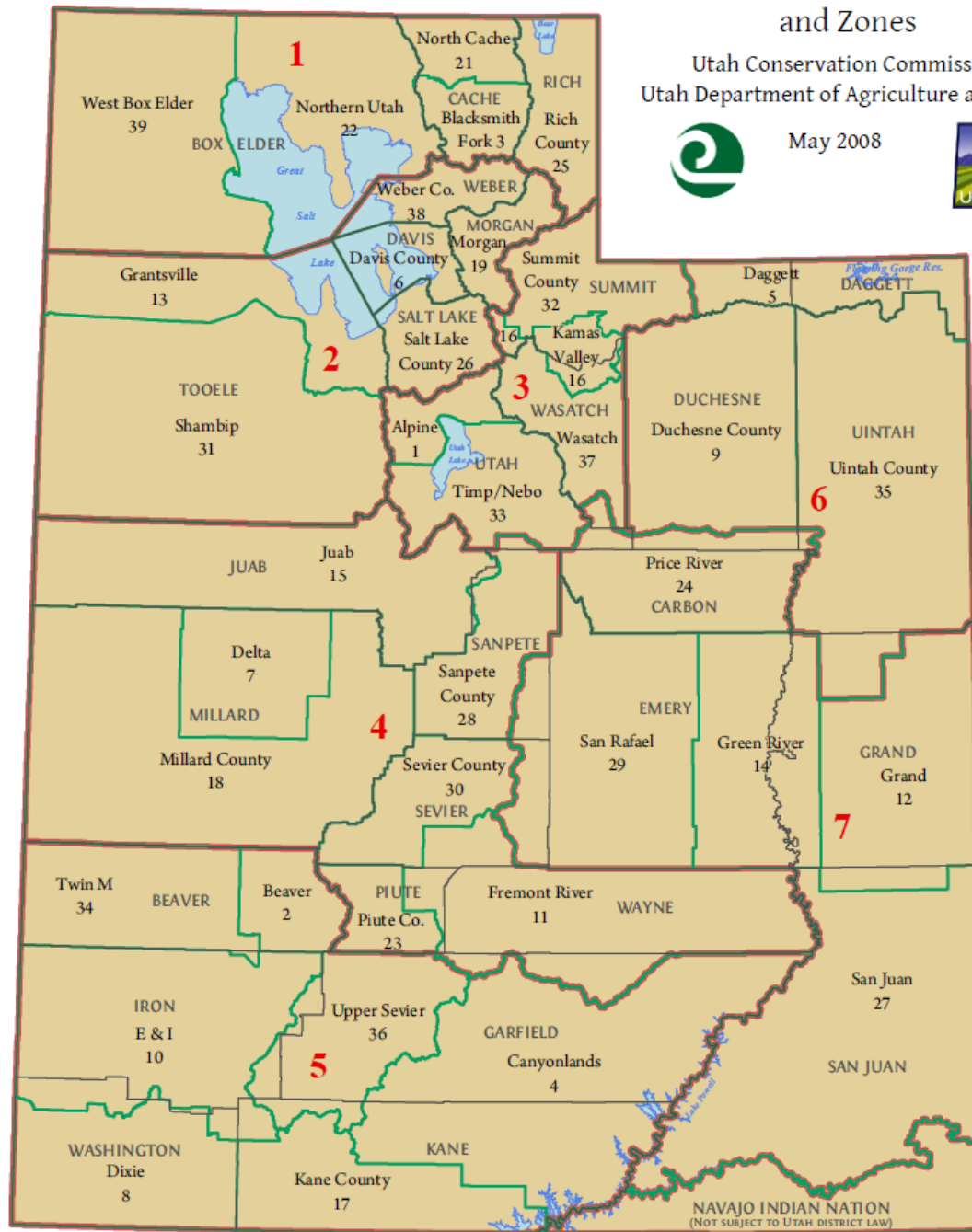


# Utah Conservation Districts and Zones

Utah Conservation Commission  
Utah Department of Agriculture and Food

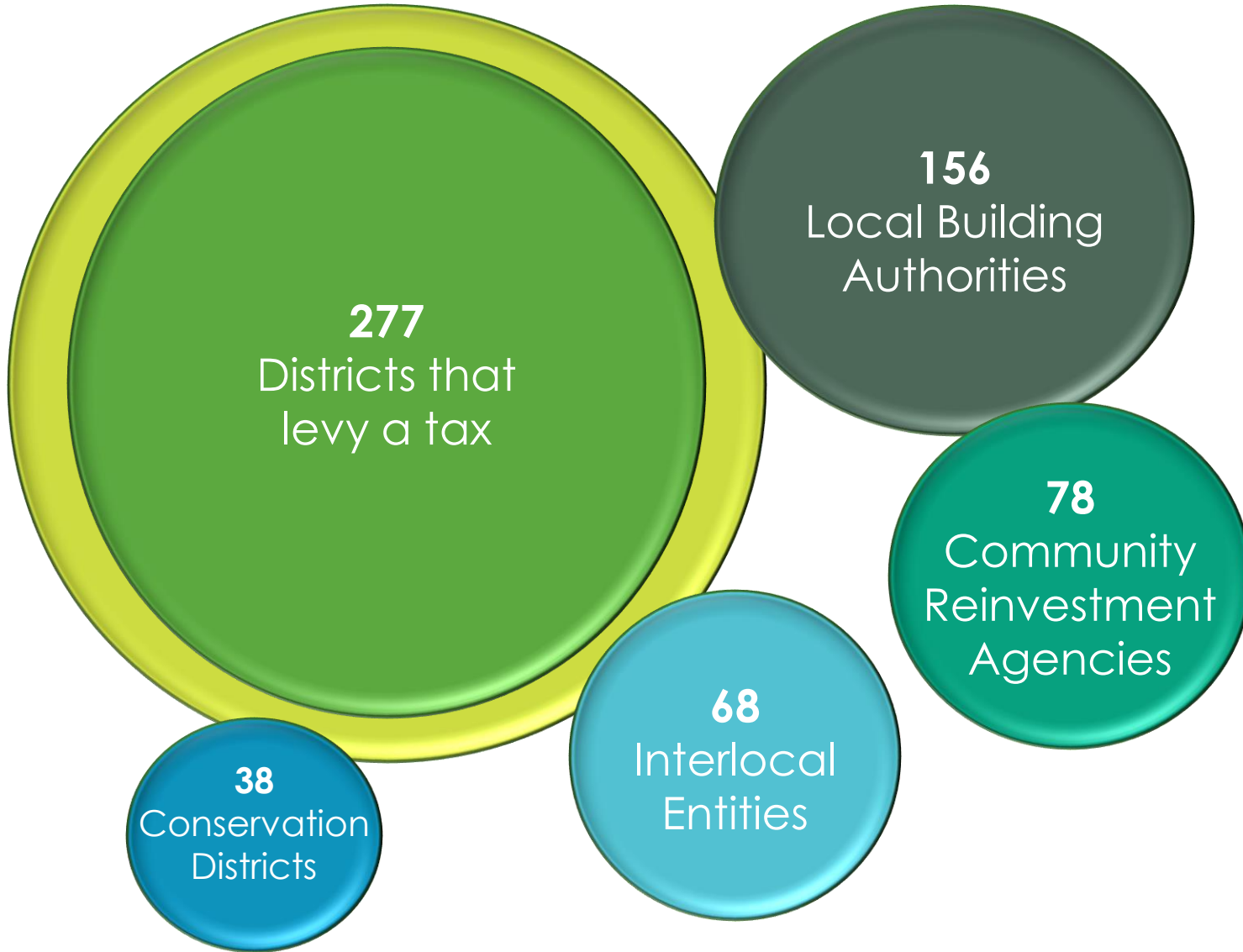


May 2008





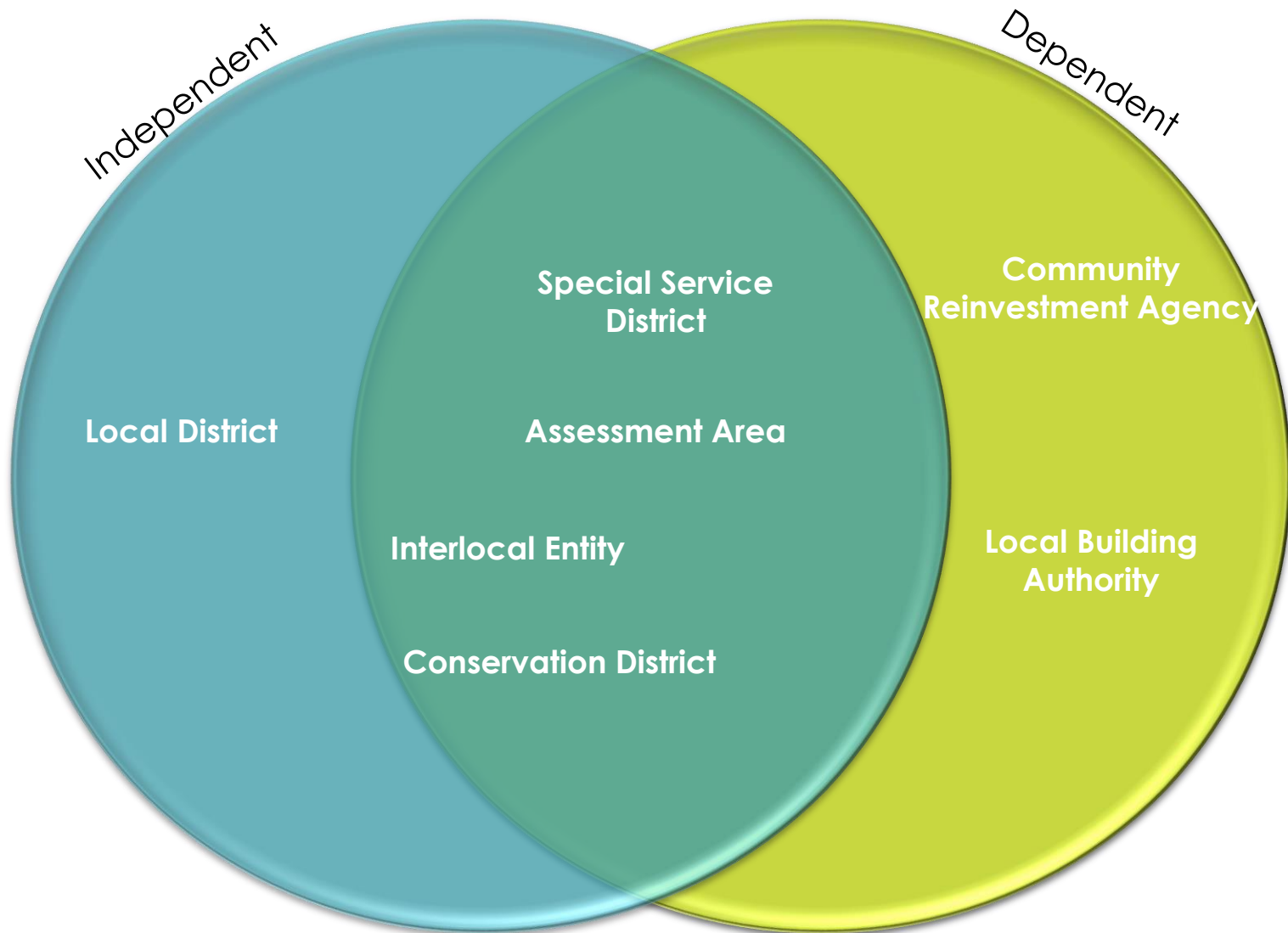
# By the numbers



# Creation process

	Initiation	Public Hearing	Protest Period	Election	Adopt ordinance or resolution	Record Documents	Certified by Lt. Governor
<b>LD</b>	Petition or Resolution	✓	✓	✓	✓ (if election is not required)	✓	✓
<b>SSD</b>	Petition or Resolution	✓	✓		✓	✓	✓
<b>AA</b>		✓	✓		✓	✓	
<b>CRA</b>					✓	✓	✓
<b>IE</b>					Each entity executes an interlocal agreement	✓	✓
<b>CD</b>	Petition	✓			✓		✓
<b>LBA</b>					Local entity creates a nonprofit corporation	Division of Corporations and Commercial Code	

# Governance



# Sources of revenue

	Property Tax	Fee	Bond	Other
<b>LD</b>	✓	✓	✓	
<b>SSD</b>		✓	✓	Local government may levy a tax to pay for the district's bond debt service
<b>AA</b>			✓	An assessment levied on property
<b>CRA</b>			✓	Property tax increment or a taxing entity's sales and use tax revenue
<b>IE</b>		✓	✓	
<b>CD</b>		✓		Federal, state, private funds
<b>LBA</b>			✓	

# Taxpayer impact

Davis County – Tax Area 005	Certified Tax Rate	% of Total Tax Rate	Annual Tax Due on \$100,000 Property
Davis County School District	.008555	65%	\$856
Davis (county)	.002153	16%	\$215
Bountiful (city)	.000957	7%	\$96
County Library (district)	.000361	3%	\$36
South Davis Recreation District	.000334	3%	\$33
South Davis County Sewer Improvement District	.000303	2%	\$30
South Davis County Water Improvement District	.000250	2%	\$25
Weber Basin Water Conservancy District	.000196	1%	\$20
Davis County Mosquito Abatement District	.000122	1%	\$12
<b>Total</b>	<b>.013231</b>	<b>100%</b>	<b>\$1,323</b>

**School District = 65% of total tax rate**

**General Purpose Local Government Entities = 23% of total tax rate**

**Limited Purpose Local Government Entities = 12% of total tax rate**

# Fiscal procedures and oversight

	Annual budget	Quarterly financial reports	Annual financial report	Annual audit	Annual general report	Other
LD	✓	✓	✓	✓		
SSD	✓	✓	✓	✓		
AA						Assessment fund must be separate from all local entity funds
CRA	✓			✓	✓	
IE	✓	✓	✓			
CD	✓	✓	✓	✓		
LBA	✓	✓	✓	✓		

Most financial reports can be accessed online from the [Office of the State Auditor's website](#) or the [Utah Public Finance Website](#)

# Dissolution process

	Initiation	Public Hearing	Adopt ordinance or resolution	Certified by Lt. Governor	Other
<b>Active LD</b>	Petition, 100% of property owners or registered voters	✓	✓	✓	
<b>Inactive LD</b>	Petition or Resolution	✓	✓	✓	
<b>SSD</b>			✓	✓	
<b>AA</b>					Term is established in the initiating resolution
<b>CRA</b>			✓	✓	
<b>IE</b>					Remains in existence for term established in the agreement, not to exceed 50 years
<b>CD</b>			✓	✓	
<b>LBA</b>			✓		

# Policy issues

## **Addressed during 2016 General Session:**

- Required local and special service district board member's contact information to be posted on the Utah Public Notice Website (SB 99)
- Removed size and budget threshold for local government participation in the Utah Public Finance Website (SB 99)
- Clarified annual reporting requirements for CRAs (SB 151)

## **Outstanding:**

- Taxing authority, elected vs. appointed local district board members
- Auditing authority, county or municipality's authority to audit a local or special service district
- Voter participation and awareness





# Limited Purpose Local Government Entities

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