Part 3
Issuance of Bonds

11-14-301 Issuance of bonds by governing body -- Computation of indebtedness under constitutional and statutory limitations.

(1) If the governing body has declared the bond proposition to have carried and no contest has been filed, or if a contest has been filed and favorably terminated, the governing body may proceed to issue the bonds voted at the election.

(2)

(a) It is not necessary that all of the bonds be issued at one time, but, except as otherwise provided in this Subsection (2), bonds approved by the voters may not be issued more than 10 years after the day on which the election is held.

(b) The 10-year period described in Subsection (2)(a) is tolled if, at any time during the 10-year period:

(i) an application for a referendum petition is filed with a local clerk, in accordance with Section 20A-7-602 and Subsection 20A-7-601(3)(a), with respect to the local obligation law relating to the bonds; or

(ii) the bonds are challenged in a court of law or an administrative proceeding in relation to:

(A) the legality or validity of the bonds, or the election or proceedings authorizing the bonds;

(B) the authority of the local political subdivision to issue the bonds;

(C) the provisions made for the security or payment of the bonds; or

(D) any other issue that materially and adversely affects the marketability of the bonds, as determined by the individual or body that holds the executive powers of the local political subdivision.

(c) A tolling period described in Subsection (2)(b)(i) ends on the later of the day on which:

(i) the local clerk determines that the petition is insufficient, in accordance with Subsection 20A-7-607(2)(c), unless an application, described in Subsection 20A-7-607(4)(a), is made to the Supreme Court;

(ii) the Supreme Court determines, under Subsection 20A-7-607(4)(c), that the petition for the referendum is not legally sufficient; or

(iii) for a referendum petition that is sufficient, the governing body declares, as provided by law, the results of the referendum election on the local obligation law.

(d) A tolling period described in Subsection (2)(b)(ii) ends after:

(i) there is a final settlement, a final adjudication, or another type of final resolution of all challenges described in Subsection (2)(b)(ii); and

(ii) the individual or body that holds the executive powers of the local political subdivision issues a document indicating that all challenges described in Subsection (2)(b)(ii) are resolved and final.

(e) If the 10-year period described in Subsection (2)(a) is tolled under this Subsection (2) and, when the tolling ends and after giving effect to the tolling, the period of time remaining to issue the bonds is less than one year, the period of time remaining to issue the bonds shall be extended to one year.

(f) The tolling provisions described in this Subsection (2) apply to all bonds described in this section that were approved by voters on or after May 8, 2002.

(3)

(a) Bonds approved by the voters may not be issued to an amount that will cause the indebtedness of the local political subdivision to exceed that permitted by the Utah Constitution or statutes.
(b) In computing the amount of indebtedness that may be incurred pursuant to constitutional and statutory limitations, the constitutionally or statutorily permitted percentage, as the case may be, shall be applied to the fair market value, as defined under Section 59-2-102, of the taxable property in the local political subdivision, as computed from the last applicable equalized assessment roll before the incurring of the additional indebtedness.
(c) In determining the fair market value of the taxable property in the local political subdivision as provided in this section, the value of all tax equivalent property, as defined in Section 59-3-102, shall be included as a part of the total fair market value of taxable property in the local political subdivision, as provided in Title 59, Chapter 3, Tax Equivalent Property Act.
(4) Bonds of improvement districts issued in a manner that they are payable solely from the revenues to be derived from the operation of the facilities of the district may not be included as bonded indebtedness for the purposes of the computation.
(5) Where bonds are issued by a city, town, or county payable solely from revenues derived from the operation of revenue-producing facilities of the city, town, or county, or payable solely from a special fund into which are deposited excise taxes levied and collected by the city, town, or county, or excise taxes levied by the state and rebated pursuant to law to the city, town, or county, or any combination of those excise taxes, the bonds shall be included as bonded indebtedness of the city, town, or county only to the extent required by the Utah Constitution, and any bonds not so required to be included as bonded indebtedness of the city, town, or county need not be authorized at an election, except as otherwise provided by the Utah Constitution, the bonds being hereby expressly excluded from the election requirement of Section 11-14-201.
(6) A bond election is not void when the amount of bonds authorized at the election exceeded the limitation applicable to the local political subdivision at the time of holding the election, but the bonds may be issued from time to time in an amount within the applicable limitation at the time the bonds are issued.

Amended by Chapter 189, 2014 General Session

11-14-302 Resolution -- Negotiability -- Registration -- Maturity -- Interest -- Payment -- Redemption -- Combining issues -- Sale -- Financing plan.
(1)
(a) Bonds issued under this chapter:
(i) shall:
(A) be authorized by resolution of the governing body;
(B) be fully negotiable for all purposes;
(C) mature at such time or times not more than 40 years from their date;
(D) bear interest at such rate or rates, if any;
(E) be payable at such place or places;
(F) be in such form;
(G) be executed in such manner;
(H) be sold in such manner and at such prices, either at, in excess of, or below face value; and
(I) be issued in such manner and with such details as may be provided by resolution; and
(ii) may be made:

(A) registrable as to principal alone or as to principal and interest; or
(B) redeemable prior to maturity at such times and on such terms.

(b) Interest rate limitations elsewhere appearing in the laws of Utah do not apply to nor limit the rate of interest on bonds issued under this chapter.

(2)

(a) If the bonds bear interest at a variable rate or rates, the resolution described in Subsection (1)(a)(i)(A) shall provide for the establishment of a method or methods by which the interest rate or rates on the bonds may be determined.

(b) If the resolution specifies a method by which interest on the bonds may be determined, the resolution shall also specify the maximum rate of interest the bonds may bear.

(c) Bonds voted for different purposes by separate propositions at the same or different bond elections may in the discretion of the governing body be combined and offered for sale as one issue of bonds.

(d) The resolution providing for this combination and the printed bonds for the combined issue shall separately set forth the amount being issued for each of the purposes provided for in each proposition submitted to the electors.

(e) If the local political subdivision has retained a fiscal agent to assist and advise it with respect to the bonds and the fiscal agent has received or is to receive a fee for such services, the bonds may be sold to the fiscal agent but only if the sale is made pursuant to a sealed bid submitted by the fiscal agent at an advertised public sale.

(f) The governing body may, by resolution, delegate to one or more officers of the local political subdivision the authority to:

(i) in accordance with and within the parameters set forth in the resolution, approve the final interest rate or rates, price, principal amount, maturity or maturities, redemption features, and other terms of the bond; and

(ii) approve and execute all documents relating to the issuance of a bond.

(3)

(a)

(i) All bonds shall be paid by the treasurer of the local political subdivision or the treasurer's duly authorized agent on their respective maturity dates or on the dates fixed for the bonds redemption.

(ii) All bond coupons, other than coupons cancelled because of the redemption of the bonds to which they apply, shall similarly be paid on their respective dates or as soon thereafter as the bonds or coupons are surrendered.

(b) Upon payment of a bond or coupon, the treasurer of the local political subdivision or the treasurer's duly authorized agent, shall perforate the bond or coupon with a device suitable to indicate payment.

(c) Any bonds or coupons which have been paid or cancelled may be destroyed by the treasurer of the local political subdivision or by the treasurer's duly authorized agent.

(4)

(a) Bonds, bond anticipation notes, or tax anticipation notes with maturity dates of one year or less may be authorized by a local political subdivision from time to time pursuant to a plan of financing adopted by the governing body.

(b) The plan of financing shall specify the terms and conditions under which the bonds or notes may be issued, sold, and delivered, the officers of the local political subdivision authorized to issue the bonds or notes, the maximum amount of bonds or notes which may be outstanding at any one time, the source or sources of payment of the bonds or notes, and all other details necessary for issuance of the bonds or notes.

(c) Subject to the Constitution, the governing body of the local political subdivision may include in the plan of financing the terms and conditions of agreements which may be entered into by the local political subdivision with banking institutions for letters of credit or for standby letters of credit to secure the bonds or notes, including payment from any legally available source of fees, charges, or other amounts coming due under the agreements entered into by the local political subdivision.

Amended by Chapter 145, 2011 General Session

11-14-303 Bonds, notes, or other obligations of political subdivisions exempt from taxation except corporate franchise tax.

All bonds, notes, or other obligations issued under this chapter or under any other law authorizing the issuance of bonds, notes, or indebtedness by a local political subdivision or any other political subdivision now existing or subsequently created under the laws of Utah, including bonds payable solely from special assessments and tax anticipation indebtedness, and the interest on them shall be exempt from all taxation in this state, except for the corporate franchise tax.

Amended by Chapter 83, 2006 General Session

11-14-304 Facsimile signatures and facsimile seal, use permitted -- Validity of signed bonds.

(1) If the use of a facsimile signature is authorized by the body empowered by law to authorize the issuance of the bonds or other obligations of any agency, instrumentality, or institution of this state or of any municipal corporation, political subdivision, improvement district, taxing district, or other governmental entity within the state, whether or not issued under this chapter, any officer so authorized may execute, authenticate, certify, or endorse, or cause to be executed, authenticated, certified, or endorsed the bond or other obligation, or any certificate required to be executed on the back thereof, with a facsimile signature in lieu of his manual signature if at least one signature required or permitted to be placed on the face thereof shall be manually subscribed. Upon compliance with this chapter by the authorized officer, his facsimile signature has the same legal effect as his manual signature. When any seal is required in the execution, authentication, certification, or endorsement of the bond or other obligation, or any certificate required to be executed on the back thereof, the authorized officer may cause the seal to be printed, engraved, lithographed, stamped, or otherwise placed in facsimile thereon. The facsimile seal has the same legal effect as the impression of the seal.

(2) Bonds or other obligations bearing the signatures (manual or facsimile) of officers in office on the date of the execution thereof shall be valid and binding obligations notwithstanding that before the delivery thereof any or all of the persons whose signatures appear thereon shall have ceased to be officers of the local political subdivision.

Renumbered and Amended by Chapter 105, 2005 General Session

11-14-304.5 Recital in bonds -- Incontestability.

(1) In the resolution authorizing bonds to be issued as provided in this chapter or other applicable law, a local political subdivision may require that the bonds recite that they are issued under authority of this chapter or other applicable law.

(2)

(a) A bond recital as provided in Subsection (1) conclusively establishes full compliance with all the provisions of applicable law.

(b) All bonds issued containing a recital as provided in Subsection (1) shall be incontestable for any reason after their delivery for value.

Enacted by Chapter 83, 2006 General Session

11-14-305 Registration, denominations, and exchange of obligations.

(1) As used in this section, "obligations" means bonds, bond anticipation notes, and tax anticipation notes.

(2) Unless otherwise provided by the local political subdivision, Title 15, Chapter 7, Registered Public Obligations Act, governs and applies to all obligations issued in registered form. If Title 15, Chapter 7, Registered Public Obligations Act, is inapplicable to an issue of obligations, Subsection (3) governs and applies with respect to such issue.

(3) Any obligations issued under this chapter may be issued in denominations as determined by the governing body. The governing body may provide for the exchange of any of these obligations after issuance for obligations of larger or smaller denominations in such manner as may be provided in the authorizing resolution, provided the obligations in changed denominations shall be exchanged for the original obligations in like aggregate principal amounts and in such manner that no overlapping interest is paid; and such obligations in changed denominations shall bear interest at the same rate or rates, if any, shall mature on the same date or dates, shall be as nearly as practicable in the same form except for an appropriate recital as to the exchange, and shall in all other respects, except as to denominations and numbers, be identical with the original obligations surrendered for exchange. Where any exchange is made under this section, the obligations surrendered by the holders at the time of exchange shall be cancelled; any such exchange shall be made only at the request of the holders of the obligations to be surrendered; and the governing body may require all expenses incurred in connection with such exchange, including the authorization and issuance of the new obligations, to be paid by such holders.

Amended by Chapter 83, 2006 General Session

11-14-306 Additional pledge for general obligation bonds -- Revenue bonds -- Resolution.

(1) To the extent constitutionally permissible, local political subdivisions may pledge as an additional source of payment for their general obligation bonds all or any part of revenues, fees, and charges attributable to the operation or availability of facilities or may issue bonds payable solely from such revenues, fees, or charges.

(2)

(a) The governing body may issue bonds payable solely from revenues, fees, or charges attributable to extensions and improvements to revenue-producing facilities.

(b) If the governing body issues bonds under Subsection (2)(a), the resolution authorizing these bonds shall set forth as a finding of the governing body:

(i) the value of the then existing facility and the value of this facility after completion of the extensions or improvements proposed to be constructed; and

(ii) that portion of the revenues, fees, or charges derived from the entire facility when the contemplated extensions and improvements are completed which the value of the existing facility bears to the value of the facility after completion shall be considered to be revenue derived from the existing facility and the remainder may be set aside and pledged to the payment of the principal of and interest on the bonds and for the establishment of

appropriate reserve fund or funds, and such portion shall be considered to be revenue derived exclusively from the extensions and improvements.

(3)

(a) Any resolution or trust indenture authorizing bonds to which such revenues, fees, or charges are pledged may contain such covenants with the future holder or holders of the bonds as to the management and operation of the affected facilities, the imposition, collection, and disposition of rates, fees, and charges for commodities and services furnished thereby, the issuance of future bonds, the creation of future liens and encumbrances against the facilities, the carrying of insurance, the keeping of books and records, the deposit and paying out of revenues, fees, or charges and bond proceeds, the appointment and duties of a trustee, and other pertinent matters as may be considered proper by the governing body.

(b) If the revenue, fee, or charge so pledged involves either sewer or water revenues, fees, or charges or both sewer and water revenues, fees, or charges, provision may be made for charges for sewer services and water services to be billed in a single bill and for the suspension of water or sewer services, or both, to any customer who shall become delinquent in the payment due for either.

(c) Provision may be made for the securing of such bonds by a trust indenture, but no such indenture shall convey, mortgage, or create any lien upon property of the local political subdivision.

(d) Either the bond resolution or such trust indenture may impose in the holders of the bonds full rights to enforce the provisions thereof, and may include terms and conditions upon which the holders of the bonds or any proportion of them, or a trustee therefor, shall be entitled to the appointment of a receiver who may enter and take possession of the facility or facilities, the revenues, fees, or charges of which are so pledged, and may operate and maintain them, prescribe charges and collect, receive, and apply all revenues, fees, or charges therefrom arising in the same manner as the local political subdivision itself might do.

Amended by Chapter 83, 2006 General Session

11-14-307 Revenue bonds payable out of excise tax revenues.

(1) To the extent constitutionally permissible, a city, town, or county may:

(a) issue bonds payable solely from a special fund into which are to be deposited:

(i) excise taxes levied and collected by the city, town, or county;

(ii) excise taxes levied by the state and rebated pursuant to law to the city, town, or county; or

(iii) a combination of the excise taxes described in Subsections (1)(a)(i) and (ii); or

(b) pledge all or any part of the excise taxes described in Subsection (1)(a) as an additional source of payment for general obligation bonds it issues.

(2)

(a) If the covenant is not inconsistent with this chapter, a resolution or trust indenture providing for the issuance of bonds payable in whole or in part from the proceeds of excise tax revenues may contain covenants with the holder or holders of the bonds as to:

(i) the excise tax revenues;

(ii) the disposition of the excise tax revenues;

(iii) the issuance of future bonds; and

(iv) other pertinent matters that are considered necessary by the governing body to assure the marketability of those bonds.

(b) A resolution may also include provisions to insure the enforcement, collection, and proper application of excise tax revenues as the governing body may think proper.

(c) The proceeds of bonds payable in whole or in part from pledged class B or C road funds shall be used to construct, repair, and maintain streets and roads in accordance with Sections 72-6-108 and 72-6-110 and to fund any reserves and costs incidental to the issuance of the bonds.

(d) When any bonds payable from excise tax revenues have been issued, the resolution or other enactment of the legislative body imposing the excise tax and pursuant to which the tax is being collected, the obligation of the governing body to continue to levy, collect, and allocate the excise tax, and to apply the revenues derived from the excise tax in accordance with the provisions of the authorizing resolution or other enactment, shall be irrevocable until the bonds have been paid in full as to both principal and interest, and is not subject to amendment in any manner that would impair the rights of the holders of those bonds or which would in any way jeopardize the timely payment of principal or interest when due.

(3)

(a) The state pledges to and agrees with the holders of any bonds issued by a city, town, or county to which the proceeds of excise taxes collected by the state and rebated to the city, town, or county are devoted or pledged as authorized in this section, that the state will not alter, impair, or limit the excise taxes in a manner that reduces the amounts to be rebated to the city, town, or county which are devoted or pledged as authorized in this section until the bonds or other securities, together with applicable interest, are fully met and discharged.

(b) Nothing in this Subsection (3) precludes alteration, impairment, or limitation of excise taxes if adequate provision is made by law for the protection of the holders of the bonds.

(c) A city, town, or county may include this pledge and undertaking for the state in those bonds.

(4)

(a) Outstanding bonds to which excise tax revenues are pledged as the sole source of payment may not at any one time exceed an amount for which the average annual installments of principal and interest will exceed 80% of the total excise tax revenues received by the issuing entity from the collection or rebate of the excise tax revenues during the fiscal year of the issuing entity immediately preceding the fiscal year in which the resolution authorizing the issuance of bonds is adopted.

(b) If an excise tax has not been levied by a city, town, or county for a sufficient period of time to determine the 80% bond payment requirement under Subsection (4)(a), a city, town, or county may use an excise tax revenue that is currently levied within the same geographic coverage area and with the same percentage of collection to determine the amount of excise tax revenues that are expected to be received to determine the 80% bond payment requirement under Subsection (4)(a).

(5) Bonds issued solely from a special fund into which are to be deposited excise tax revenues constitutes a borrowing solely upon the credit of the excise tax revenues received or to be received by the city, town, or county and does not constitute an indebtedness or pledge of the general credit of the city, town, or county.

(6) Before issuing any bonds under this section, a city, town, or county shall comply with Section 11-14-318.

(7) A city, town, or county shall submit the question of whether or not to issue any bonds under this section to voters for their approval or rejection if, within 30 calendar days after the notice required by Section 11-14-318, a written petition requesting an election and signed by at least 20% of the registered voters in the city, town, or county is filed with the city, town, or county.

Amended by Chapter 21, 2008 General Session

11-14-308 Special service district bonds secured by federal mineral lease payments -- Use of bond proceeds -- Bond resolution -- Nonimpairment of appropriation formula -- Issuance of bonds.

(1) Special service districts may:
  (a) issue bonds payable, in whole or in part, from federal mineral lease payments which are to be deposited into the Mineral Lease Account under Section 59-21-1 and distributed to special service districts under Subsection 59-21-2(2)(h); or
  (b) pledge all or any part of the mineral lease payments described in Subsection (1)(a) as an additional source of payment for their general obligation bonds.
(2) The proceeds of these bonds may be used:
  (a) to construct, repair, and maintain streets and roads;
  (b) to fund any reserves and costs incidental to the issuance of the bonds and pay any associated administrative costs; and
  (c) for capital projects of the special service district.
(3)
  (a) The special service district board shall enact a resolution authorizing the issuance of bonds which, until the bonds have been paid in full:
    (i) shall be irrevocable; and
    (ii) may not be amended in any manner that would:
      (A) impair the rights of the bond holders; or
      (B) jeopardize the timely payment of principal or interest when due.
  (b) Notwithstanding any other provision of this chapter, the resolution described in Subsection (3)(a) may contain covenants with the bond holder regarding:
    (i) mineral lease payments, or their disposition;
    (ii) the issuance of future bonds; or
    (iii) other pertinent matters considered necessary by the governing body to:
      (A) assure the marketability of the bonds; or
      (B) insure the enforcement, collection, and proper application of mineral lease payments.
(4)
  (a) Except as provided in Subsection (4)(b), the state may not alter, impair, or limit the statutory appropriation formula provided in Subsection 59-21-2(2)(h), in a manner that reduces the amounts to be distributed to the special service district until the bonds and the interest on the bonds are fully met and discharged. Each special service district may include this pledge and undertaking of the state in these bonds.
  (b) Nothing in this section:
    (i) may preclude the alteration, impairment, or limitation of these bonds if adequate provision is made by law for the protection of the bond holders; or
    (ii) shall be construed:
      (A) as a pledge guaranteeing the actual dollar amount ultimately received by individual special service districts;
      (B) to require the Department of Transportation to allocate the mineral lease payments in a manner contrary to the general allocation method described in Subsection 59-21-2(2)(h); or
      (C) to limit the Department of Transportation in making rules or procedures allocating mineral lease payments pursuant to Subsection 59-21-2(2)(h).
(5)
  (a) The average annual installments of principal and interest on bonds to which mineral lease payments have been pledged as the sole source of payment may not at any one time exceed:

(i) 80% of the total mineral lease payments received by the issuing entity during the fiscal year of the issuing entity immediately preceding the fiscal year in which the resolution authorizing the issuance of bonds is adopted; or
(ii) if the bonds are issued during the first fiscal year the issuing entity is eligible to receive funds, 60% of the amount estimated by the Department of Transportation to be appropriated to the issuing entity in that fiscal year.
(b) The Department of Transportation is not liable for any loss or damage resulting from reliance on the estimates.
(6) The final maturity date of the bonds may not exceed 15 years from the date of their issuance.
(7) Bonds may not be issued under this section after December 31, 2020.
(8) Bonds which are payable solely from a special fund into which mineral lease payments are deposited constitute a borrowing based solely upon the credit of the mineral lease payments received or to be received by the special service district and do not constitute an indebtedness or pledge of the general credit of the special service district or the state.

Amended by Chapter 1, 2011 Special Session 2
Amended by Chapter 1, 2011 Special Session 2

11-14-309 Refunding bonds -- Limitation on redemption of bonds.
(1) Any bond issued under this chapter may be refunded as provided in the Utah Refunding Bond Act.
(2) Nothing contained in this chapter nor in any other law of this state may be construed to permit any local political subdivision to call outstanding bonds for redemption in order to refund those bonds or in order to pay them prior to their stated maturities, unless:
(a) the right to call the bonds for redemption was specifically reserved and stated in the bonds at the time of their issuance; and
(b) all conditions with respect to the manner, price, and time applicable to the redemption as set forth in the proceedings authorizing the outstanding bonds are strictly observed.
(3) A holder of an outstanding bond may not be compelled to surrender the bond for refunding before its stated maturity or optional date of redemption expressly reserved in the bond, even though the refunding might result in financial benefit to the local political subdivision issuing the bond.

Renumbered and Amended by Chapter 105, 2005 General Session

11-14-310 General obligation bonds -- Levy and collection of taxes.
(1) Any bonds issued under this chapter in such manner that they are not payable solely from revenues other than those derived from ad valorem taxes are full general obligations of the local political subdivision, for the prompt and punctual payment of principal of and interest on which the full faith and credit of the local political subdivision are pledged, and the local political subdivision is hereby expressly required, regardless of any limitations which may otherwise exist on the amount of taxes which the local political subdivision may levy, to provide for the levy and collection annually of ad valorem taxes without limitation as to rate or amount on all taxable property in the local political subdivision fully sufficient for such purpose. If by law ad valorem taxes for the local political subdivision are levied by a board other than its governing body, the taxes for which provision is herein made shall be levied by such other board and the local political subdivision shall be under the duty in due season in each year to provide such other board with all information necessary to the levy of taxes in the required amount. Such

taxes shall be levied and collected by the same officers, at the same time and in the same manner as are other taxes levied for the local political subdivision.

(2) If any local political subdivision shall neglect or fail for any reason to levy or collect or cause to be levied or collected sufficient taxes for the prompt and punctual payment of such principal and interest, any person in interest may enforce levy and collection thereof in any court having jurisdiction of the subject matter, and any suit, action or proceeding brought by such person in interest shall be a preferred cause and shall be heard and disposed of without delay. All provisions of the constitution and laws relating to the collection of county and municipal taxes and tax sales shall also apply to and regulate the collection of the taxes levied pursuant to this section, through the officer whose duty it is to collect the taxes and money due the local political subdivision.

Amended by Chapter 83, 2006 General Session

11-14-311 Bond anticipation notes.

(1)

(a) If the governing body considers it advisable and in the interests of the local political subdivision to anticipate the issuance of bonds to be issued under this chapter, the governing body may, pursuant to appropriate resolution, issue bond anticipation notes.

(b) Each resolution authorizing the issuance of bond anticipation notes shall:

(i) describe the bonds in anticipation of which the notes are to be issued;

(ii) specify the principal amount of the notes and the maturity dates of the notes; and

(iii) specify either the rates of interest, if any, on the notes or the method by which interest on the notes may be determined while the notes are outstanding.

(c) If the resolution specifies a method by which the interest rates on the notes may be determined, the resolution may specify the maximum rate of interest which the notes may bear.

(2) Bond anticipation notes shall be issued and sold in a manner and at a price, either at, below, or above face value, as the governing body determines by resolution. Interest on bond anticipation notes may be made payable semiannually, annually, or at maturity. Bond anticipation notes may be made redeemable prior to maturity at the option of the governing body in the manner and upon the terms fixed by the resolution authorizing their issuance. Bond anticipation notes shall be executed and shall be in a form and have details and terms as provided in the authorizing resolution.

(3) Contemporaneously with the issuance of the bonds in anticipation of which bond anticipation notes are issued, provision shall be made for the retirement of any outstanding bond anticipation notes.

(4) Whenever the bonds in anticipation of which notes are issued are to be payable from ad valorem taxes and constitute full general obligations of the local political subdivision, the bond anticipation notes and the interest on them shall be secured by a pledge of the full faith and credit of the local political subdivision in the manner provided in Section 11-14-310 and shall also be made payable from funds derived from the sale of the bonds in anticipation of which the notes are issued. Whenever the bonds in anticipation of which the notes are to be issued are to be payable solely from revenues derived from the operation of revenue-producing facilities, these bond anticipation notes and the interest on them shall be secured by a pledge of the income and revenues derived by the local political subdivision from the revenue-producing facilities and shall also be made payable from funds derived from the sale of the bonds in anticipation of which the notes are issued.

(5) Bond anticipation notes issued under this section may be refunded by the issuance of other bond anticipation notes issued under this section.
(6) Sections 11-14-304, 11-14-305, 11-14-315, 11-14-316, and 11-14-401 apply to all bond anticipation notes issued under this section.
(7) Bonds are not considered to have been issued outside of the 10-year period described in Section 11-14-301, if the issuance of the bonds is anticipated under this section by bond anticipation notes issued before the expiration of the 10-year period.

Amended by Chapter 204, 2012 General Session

11-14-312 Prior bonds validated -- Exceptions.

All bonds issued by any local political subdivision before May 1, 2006, and all proceedings had in the authorization and issuance of them are hereby validated, ratified, and confirmed; and all such bonds are declared to constitute legally binding obligations in accordance with their terms. Nothing in this section shall be construed to affect or validate any bonds, the legality of which is being contested as of May 1, 2006.

Amended by Chapter 83, 2006 General Session

11-14-313 Issuance of negotiable notes or bonds authorized -- Limitation on amount of tax anticipation notes or bonds -- Procedure.

(1)
(a) For the purpose of meeting the current expenses of the local political subdivision and for any other purpose for which funds of the local political subdivision may be expended, a local political subdivision may, if authorized by a resolution of its governing body, borrow money by issuing its negotiable notes or bonds in an initial principal amount:
(i) not in excess of 90% of the taxes and other revenues of the local political subdivision for the current fiscal year, if the notes or bonds are issued after the annual tax levy for taxes falling due during the fiscal year in which the notes or bonds are issued;
(ii) not in excess of 75% of the taxes and other revenues of the local political subdivision for the preceding fiscal year, if the notes or bonds are issued prior to the annual tax levy for taxes falling due during the fiscal year in which the bonds or notes are issued; or
(iii) not in excess of 75% of the taxes and other revenues that the governing body of the local political subdivision estimates that the local political subdivision will receive for the current fiscal year, if the notes or bonds are issued within 24 months following the creation of the local political subdivision.
(b) The proceeds of the notes or bonds shall be applied only in payment of current and necessary expenses and other purposes for which funds of the local political subdivision may be expended.
(c) There shall be included in the annual levy a tax and there shall be provision made for the imposition and collection of sufficient revenues other than taxes sufficient to pay the notes or bonds at maturity.
(d) If the taxes and other revenues in any one year are insufficient through delinquency or uncollectibility of taxes or other cause to pay when due all the lawful debts of the local political subdivision which have been or may hereafter be contracted, the governing body of the local political subdivision is authorized and directed to levy and collect in the next succeeding year a sufficient tax and to provide for the imposition and collection of sufficient revenues other than taxes to pay all of such lawfully contracted indebtedness, and may borrow as provided in

this section in anticipation of such tax and other revenues to pay any such lawfully contracted indebtedness.

(e) Each resolution authorizing the issuance of tax anticipation notes or bonds shall:

(i) describe the taxes or revenues in anticipation of which the notes or bonds are to be issued; and

(ii) specify the principal amount of the notes or bonds, any interest rates, including a variable interest rate, the notes or bonds shall bear, and the maturity dates of the notes or bonds, which dates may not extend beyond the last day of the issuing local political subdivision's fiscal year.

(2) Tax anticipation notes or bonds shall be issued and sold in such manner and at such prices, whether at, below, or above face value, as the governing body shall by resolution determine. Tax anticipation notes or bonds shall be in bearer form, except that the governing body may provide for the registration of the notes or bonds in the name of the owner, either as to principal alone, or as to principal and interest. Tax anticipation notes or bonds may be made redeemable prior to maturity at the option of the governing body in the manner and upon the terms fixed by the resolution authorizing their issuance. Tax anticipation notes or bonds shall be executed and shall be in such form and have such details and terms as shall be provided in the authorizing resolution.

(3) The provisions of Sections 11-14-303, 11-14-304, 11-14-305, 11-14-313, 11-14-315, 11-14-316, 11-14-401, 11-14-403, and 11-14-404 shall apply to all tax anticipation notes or bonds issued under this section. In applying these sections to tax anticipation notes, "bond" or "bonds" as used in these sections shall be deemed to include tax anticipation notes.

Amended by Chapter 378, 2010 General Session

11-14-314 Tax anticipation obligations validated.

All obligations issued in anticipation of the collection of taxes and other revenues by any local political subdivision before May 1, 2006, and all proceedings had in the authorization and issuance of them are validated, ratified, and confirmed; and all these obligations are declared to constitute legally binding obligations in accordance with their terms. Nothing in this section shall be construed to affect or validate any of these obligations, the legality of which is being contested as of May 1, 2006.

Amended by Chapter 83, 2006 General Session

11-14-315 Nature and validity of bonds issued -- Applicability of other statutory provisions -- Budget provision required -- Applicable procedures for issuance.

Bonds issued under this chapter shall have all the qualities of negotiable paper, shall be incontestable in the hands of bona fide purchasers or holders for value and are not invalid for any irregularity or defect in the proceedings for their issuance and sale. This chapter is intended to afford an alternative method for the issuance of bonds by local political subdivisions and may not be so construed as to deprive any local political subdivision of the right to issue its bonds under authority of any other statute, but nevertheless this chapter shall constitute full authority for the issue and sale of bonds by local political subdivisions. The provisions of Section 11-1-1, Utah Code Annotated 1953, are not applicable to bonds issued under this chapter. Any local political subdivision subject to the provisions of any budget law shall in its annual budget make proper provision for the payment of principal and interest currently falling due on bonds issued hereunder, but no provision need be made in any such budget prior to the issuance of the bonds

for the issuance thereof or for the expenditure of the proceeds thereof. No ordinance, resolution or proceeding in respect to the issuance of bonds hereunder shall be necessary except as herein specifically required, nor shall the publication of any resolution, proceeding or notice relating to the issuance of the bonds be necessary except as herein required. Any publication made hereunder may be made in any newspaper conforming to the terms hereof in which legal notices may be published under the laws of Utah, without regard to the designation thereof as the official journal or newspaper of the local political subdivision, and as required in Section 45-1-101. No resolution adopted or proceeding taken hereunder shall be subject to referendum petition or to an election other than as herein required. All proceedings adopted hereunder may be adopted on a single reading at any legally convened meeting of the governing body.

Amended by Chapter 378, 2010 General Session

11-14-316 Publication of notice, resolution, or other proceeding -- Contest.

(1) The governing body of any local political subdivision may provide for the publication of any resolution or other proceeding adopted under this chapter:
  (a) in a newspaper having general circulation in the local political subdivision; and
  (b) as required in Section 45-1-101.
(2) When a resolution or other proceeding provides for the issuance of bonds, the governing body may, in lieu of publishing the entire resolution or other proceeding, publish a notice of bonds to be issued, titled as such, containing:
  (a) the name of the issuer;
  (b) the purpose of the issue;
  (c) the type of bonds and the maximum principal amount which may be issued;
  (d) the maximum number of years over which the bonds may mature;
  (e) the maximum interest rate which the bonds may bear, if any;
  (f) the maximum discount from par, expressed as a percentage of principal amount, at which the bonds may be sold;
  (g) a general description of the security pledged for repayment of the bonds;
  (h) the total par amount of bonds currently outstanding that are secured by the same pledge of revenues as the proposed bonds, if any;
  (i) information on a method by which an individual may obtain access to more detailed information relating to the outstanding bonds of the local political subdivision;
  (j) the estimated total cost to the local political subdivision for the proposed bonds if the bonds are held until maturity, based on interest rates in effect at the time that the local political subdivision publishes the notice; and
  (k) the times and place where a copy of the resolution or other proceeding may be examined, which shall be:
    (i) at an office of the issuer identified in the notice, during regular business hours of the issuer as described in the notice; and
    (ii) for a period of at least 30 days after the publication of the notice.
(3) For a period of 30 days after the publication, any person in interest may contest:
  (a) the legality of such resolution or proceeding;
  (b) any bonds which may be authorized by such resolution or proceeding; or
  (c) any provisions made for the security and payment of the bonds.
(4) A person shall contest the matters set forth in Subsection (3) by filing a verified written complaint in the district court of the county in which he resides within the 30-day period.

(5) After the 30-day period, no person may contest the regularity, formality, or legality of the resolution or proceeding for any reason.

Amended by Chapter 107, 2013 General Session

11-14-317 Bonds as legal investments -- Use as security for the faithful performance of acts.

(1) All bonds issued under this chapter or other applicable law shall be legal investments for:
  (a) all trust funds, including those under the jurisdiction of the state;
  (b) the funds of all insurance companies, banks, and both commercial and savings and trust companies;
  (c) the state school funds; and
  (d) all sinking funds under the control of the state treasurer.
(2) If funds may by law be invested in or loaned upon the security of bonds of a county, city, or school district, funds may be invested in or loaned upon the security of the bonds of any other local political subdivision.
(3) If bonds of a county, city, or school district may by law be used as security for the faithful performance on execution of any court or private trust or any other act, the bonds of any other local political subdivision may be used in the same way.

Enacted by Chapter 83, 2006 General Session

11-14-318 Public hearing required.

(1) Before issuing bonds authorized under this chapter, a local political subdivision shall:
  (a) in accordance with Subsection (2), provide public notice of the local political subdivision's intent to issue bonds; and
  (b) hold a public hearing:
    (i) if an election is required under this chapter:
      (A) no sooner than 30 days before the day on which the notice of election is published under Section 11-14-202; and
      (B) no later than five business days before the day on which the notice of election is published under Section 11-14-202; and
    (ii) to receive input from the public with respect to:
      (A) the issuance of the bonds; and
      (B) the potential economic impact that the improvement, facility, or property for which the bonds pay all or part of the cost will have on the private sector.
(2) A local political subdivision shall:
  (a) publish the notice required by Subsection (1)(a):
    (i) once each week for two consecutive weeks in the official newspaper described in Section 11-14-316 with the first publication being not less than 14 days before the public hearing required by Subsection (1)(b); and
    (ii) on the Utah Public Notice Website, created under Section 63F-1-701, no less than 14 days before the public hearing required by Subsection (1)(b); and
  (b) ensure that the notice:
    (i) identifies:
      (A) the purpose for the issuance of the bonds;
      (B) the maximum principal amount of the bonds to be issued;
      (C) the taxes, if any, proposed to be pledged for repayment of the bonds; and
      (D) the time, place, and location of the public hearing; and

(ii) informs the public that the public hearing will be held for the purposes described in Subsection (1)(b)(ii).

Amended by Chapter 5, 2009 Special Session 1
Amended by Chapter 5, 2009 Special Session 1