

## Chapter 14a Notice of Debt Issuance

### 11-14a-1 Notice of debt issuance.

- (1) For purposes of this chapter:
  - (a)
    - (i) "Debt" includes bonds, lease purchase agreements, certificates of participation, and contracts with municipal building authorities.
    - (ii) "Debt" does not include tax and revenue anticipation notes or refunding bonds.
  - (b)
    - (i) "Local government entity" means a county, city, town, school district, local district, or special service district.
    - (ii) "Local government entity" does not mean an entity created by an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act that has assets over \$10,000,000.
  - (c) "New debt resolution" means a resolution authorizing the issuance of debt wholly or partially to fund a rejected project.
  - (d) "Rejected Project" means a project for which a local government entity sought voter approval for general obligation bond financing and failed to receive that approval.
- (2) Unless a local government entity complies with the requirements of this section, it may not adopt a new debt resolution.
- (3)
  - (a) Before adopting a new debt resolution, a local government entity shall:
    - (i) advertise its intent to issue debt in a newspaper of general circulation:
      - (A)
        - (I) at least once each week for the two weeks before the meeting at which the resolution will be considered; and
        - (II) on no less than 1/4 page or a 5 x 7 inch advertisement with type size no smaller than 18 point and surrounded by a 1/4 inch border; and
      - (B) in accordance with Section 45-1-101, for the two weeks before the meeting at which the resolution will be considered; or
    - (ii) include notice of its intent to issue debt in a bill or other mailing sent to at least 95% of the residents of the local government entity.
  - (b) The local government entity shall ensure that the notice:
    - (i) except for website publication, is at least as large as the bill or other mailing that it accompanies;
    - (ii) is entitled, in type size no smaller than 24 point, "Intent to Issue Debt"; and
    - (iii) contains the information required by Subsection (3)(c).
  - (c) The local government entity shall ensure that the advertisement or notice described in Subsection (3)(a):
    - (i) identifies the local government entity;
    - (ii) states that the entity will meet on a day, time, and place identified in the advertisement or notice to hear public comments regarding a resolution authorizing the issuance of debt by the entity and to explain to the public the reasons for the issuance of debt;
    - (iii) contains:
      - (A) the name of the entity that will issue the debt;
      - (B) the purpose of the debt; and
      - (C) that type of debt and the maximum principal amount that may be issued;

- (iv) invites all concerned citizens to attend the public hearing; and
  - (v) states that some or all of the proposed debt would fund a project whose general obligation bond financing was rejected by the voters.
- (4)
- (a) The resolution considered at the hearing shall identify:
    - (i) the type of debt proposed to be issued;
    - (ii) the maximum principal amount that might be issued;
    - (iii) the interest rate;
    - (iv) the term of the debt; and
    - (v) how the debt will be repaid.
  - (b)
    - (i) Except as provided in Subsection (4)(b)(ii), the resolution considered at the hearing need not be in final form and need not be adopted or rejected at the meeting at which the public hearing is held.
    - (ii) The local government entity may not, in the final resolution, increase the maximum principal amount of debt contained in the notice and discussed at the hearing.
  - (c) The local government entity may adopt, amend and adopt, or reject the resolution at a later meeting without re complying with the published notice requirements of this section.

Amended by Chapter 388, 2009 General Session