

17D-1-507 Guaranteed bonds.

- (1) Before a special service district may issue guaranteed bonds:
 - (a) the special service district shall:
 - (i) obtain a report:
 - (A) prepared by:
 - (I) a qualified, registered architect or engineer; or
 - (II) a person qualified by experience appropriate to the project proposed to be funded by the proceeds from the guaranteed bonds;
 - (B) setting forth:
 - (I) a description of the project proposed to be funded by the proceeds from the guaranteed bonds;
 - (II) the estimated or, if available, the actual cost of the project;
 - (III) the principal amount and date and amount of each stated maturity of:
 - (Aa) the guaranteed bonds to be issued; and
 - (Bb) any outstanding guaranteed bonds of the special service district;
 - (IV) the interest rate or rates of any outstanding guaranteed bonds of the special service district;
 - (V) the amount of the annual debt service for each year during the life of all outstanding guaranteed bonds issued by the special service district;
 - (VI) the estimated amount of the annual debt service for each year during the life of all guaranteed bonds that the special service district intends to issue to finance all or any part of the project; and
 - (VII) the date or estimated date that the project will be complete; and
 - (ii) submit to the Governor's Office of Economic Development:
 - (A) the report described in Subsection (1)(a)(i);
 - (B) a copy of each proposed guarantee of the guaranteed bonds, certified by the special service district;
 - (C) a legal opinion indicating that each guarantee, when executed, will be the legal and binding obligation of the taxpayer executing the guarantee in accordance with the terms of the guarantee; and
 - (D) evidence satisfactory to the Governor's Office of Economic Development from each taxpayer executing a guarantee of the guaranteed bonds as to the financial ability of the taxpayer to perform under the guarantee;
 - (b) the Governor's Office of Economic Development shall, if it approves the issuance of the guaranteed bonds, deliver to the special service district governing body a written statement of its approval; and
 - (c) the special service district governing body shall file the written approval statement under Subsection (1)(b) with the recorder of the county in which the special service district is located.
 - (2) The issuance of guaranteed bonds is conditioned upon the approval of special service district voters at an election held for that purpose as provided in Title 11, Chapter 14, Local Government Bonding Act.
 - (3) Guaranteed bonds that have been issued and remain outstanding shall be included in the determination of the debt limit under Subsection 17D-1-502(4) if the bonds by their terms no longer enjoy the benefit of the guarantee.
 - (4) On July 1 of each year, the governing body shall file with the department of community affairs a report certifying:

- (a) the total amount of bonds issued by the special service district and other debt then outstanding and subject to the debt limit of Subsection 17D-1-502(4);
- (b) the total amount of guaranteed bonds then outstanding and not subject to the debt limit of Subsection 17D-1-502(4); and
- (c) the total amount of guaranteed bonds that, during the preceding 12 months, discontinued to enjoy the benefit of the guarantee.

Enacted by Chapter 360, 2008 General Session