

1                                   **JOINT RESOLUTION - DEBT LIMITS FOR**  
2                                   **POLITICAL SUBDIVISIONS**

3                                   2002 GENERAL SESSION

4                                   STATE OF UTAH

5                                   **Sponsor: Wayne A. Harper**

6   **This joint resolution of the Legislature proposes to amend the Utah Constitution to modify**  
7   **language relating to an additional debt limit for certain municipalities. The joint resolution**  
8   **clarifies the measurement of the debt limit for counties and how the value of taxable**  
9   **property is to be determined for purposes of the county debt limit. The joint resolution**  
10   **makes technical changes, directs the lieutenant governor to submit this proposal to voters,**  
11   **and provides an effective date.**

12   This resolution proposes to change the Utah Constitution as follows:

13   AMENDS:

14                   **ARTICLE XIV, SECTION 3**

15                   **ARTICLE XIV, SECTION 4**

16   *Be it resolved by the Legislature of the state of Utah, two-thirds of all members elected to each of*  
17   *the two houses voting in favor thereof:*

18                   Section 1. It is proposed to amend Utah Constitution Article XIV, Section 3, to read:

19                   **Article XIV, Section 3. [Certain debt of counties, cities, towns, school districts, and**  
20   **other political subdivisions not to exceed revenue -- Exception -- Debt may be incurred only**  
21   **for specified purposes.]**

22                   (1) No debt issued by a county, city, town, school district, or other political subdivision  
23   of the State and directly payable from and secured by ad valorem property taxes levied by the  
24   issuer of the debt may be created in excess of the taxes for the current year unless the proposition  
25   to create the debt has been submitted to a vote of qualified voters at the time and in the manner  
26   provided by statute, and a majority of those voting thereon has voted in favor of incurring the debt.

27                   (2) No part of the indebtedness allowed in this section may be incurred for other than



28 strictly county, city, town, school district, or other political subdivision purposes respectively.

29 Section 2. It is proposed to amend Utah Constitution Article XIV, Section 4, to read:

30 **Article XIV, Section 4. [Limit of indebtedness of counties, cities, towns, and school**  
31 **districts.]**

32 [~~When~~] (1) (a) If authorized to create indebtedness as provided in Section 3 of this Article,  
33 no county [~~shall~~] may become indebted to an amount, including existing indebtedness, exceeding  
34 two per centum of the value of taxable property in the county.

35 (b) No city, town, school district, or other municipal corporation, [~~shall~~] may become  
36 indebted to an amount, including existing indebtedness, exceeding four per centum of the value  
37 of the taxable property therein[;].

38 (2) For purposes of Subsection (1), the value [to] of taxable property shall be ascertained  
39 by the last assessment for State and County purposes[;] previous to the incurring of [~~such~~] the  
40 indebtedness[;], except that in incorporated cities the assessment shall be taken from the last  
41 assessment for city purposes[; ~~provided, that no part of the indebtedness allowed in this section~~  
42 ~~shall be incurred for other than strictly county, city, town or school district purposes; provided~~  
43 ~~further, that any~~].

44 (3) A city of the first [~~and~~] or second class [~~when~~], if authorized as provided in Section  
45 [~~three~~] 3 of this [~~article~~] Article, may be allowed to incur a larger indebtedness, not to exceed four  
46 per centum, and any other city [~~of the third class;~~] or town, not to exceed eight per centum  
47 additional, for supplying such city or town with water, artificial lights or sewers, [~~when~~] if the  
48 works for supplying [~~such~~] the water, light, and sewers[~~, shall be~~] are owned and controlled by the  
49 municipality.

50 Section 3. **Submittal to voters.**

51 The lieutenant governor is directed to submit this proposed amendment to the voters of the  
52 state at the next regular general election in the manner provided by law.

53 Section 4. **Effective date.**

54 If the amendment proposed by this joint resolution is approved by a majority of those  
55 voting on it at the next regular general election, the amendment shall take effect on January 1,  
56 2003.

**Legislative Review Note**  
**as of 1-9-02 12:34 PM**

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

**Office of Legislative Research and General Counsel**