

1 **LOCAL POLITICAL SUBDIVISION BONDING NOTICE**

2 **REQUIREMENTS**

3 2013 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: John Knotwell**

6 Senate Sponsor: Deidre M. Henderson

8 **LONG TITLE**

9 **General Description:**

10 This bill amends requirements relating to a local political subdivision providing notice
11 relating to the issuance of bonds.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ requires additional information in a notice of bonds to be issued; and
- 15 ▶ requires that, when a local political subdivision provides notice of the local political
16 subdivision's intent to issue bonds, the notice shall include a copy of:
 - 17 • the resolution or other proceeding that provides for the issuance of bonds; or
 - 18 • a notice of bonds to be issued.

19 **Money Appropriated in this Bill:**

20 None

21 **Other Special Clauses:**

22 None

23 **Utah Code Sections Affected:**

24 AMENDS:

25 **11-14-316**, as last amended by Laws of Utah 2011, Chapter 145

27 *Be it enacted by the Legislature of the state of Utah:*

28 Section 1. Section **11-14-316** is amended to read:

29 **11-14-316. Publication of notice, resolution, or other proceeding -- Contest.**

30 (1) The governing body of any local political subdivision may provide for the
31 publication of any resolution or other proceeding adopted under this chapter:

- 32 (a) in a newspaper having general circulation in the local political subdivision; and
- 33 (b) as required in Section 45-1-101.

34 (2) When [~~publication involves~~] a resolution or other proceeding [~~providing~~] provides
35 for the issuance of bonds, the governing body may, in lieu of publishing the entire resolution or
36 other proceeding, publish a notice of bonds to be issued, titled as such, containing:

- 37 (a) the name of the issuer;
- 38 (b) the purpose of the issue;
- 39 (c) the type of bonds and the maximum principal amount which may be issued;
- 40 (d) the maximum number of years over which the bonds may mature;
- 41 (e) the maximum interest rate which the bonds may bear, if any;
- 42 (f) the maximum discount from par, expressed as a percentage of principal amount, at

43 which the bonds may be sold;

- 44 (g) a general description of the security pledged for repayment of the bonds; [~~and~~]

45 (h) the total par amount of bonds currently outstanding that are secured by the same
46 pledge of revenues as the proposed bonds, if any;

47 (i) information on a method by which an individual may obtain access to more detailed
48 information relating to the outstanding bonds of the local political subdivision;

49 (j) the estimated total cost to the local political subdivision for the proposed bonds if
50 the bonds are held until maturity, based on interest rates in effect at the time that the local
51 political subdivision publishes the notice; and

52 [~~(h)~~] (k) the times and place where a copy of the resolution or other proceeding may be
53 examined, which shall be:

- 54 (i) at an office of the issuer[~~;~~(~~ii~~)] identified in the notice[~~;~~(~~iii~~)], during regular
55 business hours of the issuer as described in the notice; and

56 [~~(iv)~~] (ii) for a period of at least 30 days after the publication of the notice.

57 (3) For a period of 30 days after the publication, any person in interest may contest:

- 58 (a) the legality of such resolution or proceeding;
- 59 (b) any bonds which may be authorized by such resolution or proceeding; or
- 60 (c) any provisions made for the security and payment of the bonds.
- 61 (4) A person shall contest the matters set forth in Subsection (3) by filing a verified
- 62 written complaint in the district court of the county in which he resides within the 30-day
- 63 period.
- 64 (5) After the 30-day period, no person may contest the regularity, formality, or legality
- 65 of the resolution or proceeding for any reason.