

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

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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

26           **11-14-318**, as last amended by Laws of Utah 2009, First Special Session, Chapter 5



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

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

30 **11-14-316. Publication of notice, resolution, or other proceeding -- Contest.**

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

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

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

- 38 (a) the name of the issuer;
- 39 (b) the purpose of the issue;
- 40 (c) the type of bonds and the maximum principal amount which may be issued;
- 41 (d) the maximum number of years over which the bonds may mature;
- 42 (e) the maximum interest rate which the bonds may bear, if any;
- 43 (f) the maximum discount from par, expressed as a percentage of principal amount, at  
44 which the bonds may be sold;
- 45 (g) a general description of the security pledged for repayment of the bonds; [~~and~~]
- 46 (h) detailed information on the debt liability owed by the local political subdivision on  
47 the day on which the governing body approved issuance of the bonds;

48 (i) the estimated total cost to the political subdivision for the bonds if the bonds are  
49 held until maturity, including principal, interest, and insurance costs; and

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

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

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

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

- 56 (a) the legality of such resolution or proceeding;
- 57 (b) any bonds which may be authorized by such resolution or proceeding; or
- 58 (c) any provisions made for the security and payment of the bonds.

59 (4) A person shall contest the matters set forth in Subsection (3) by filing a verified  
60 written complaint in the district court of the county in which he resides within the 30-day  
61 period.

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

64 Section 2. Section **11-14-318** is amended to read:

65 **11-14-318. Public hearing required -- Notice.**

66 (1) Before issuing bonds authorized under this chapter, a local political subdivision  
67 shall:

68 (a) in accordance with Subsection (2), provide public notice of the local political  
69 subdivision's intent to issue bonds; [~~and~~]

70 (b) include, with the public notice described in Subsection (1)(a):

71 (i) a copy of the resolution or other proceeding that provides for the issuance of bonds;

72 or

73 (ii) a notice of bonds to be issued, described in Subsection 11-14-316(2); and

74 [~~(b)~~] (c) hold a public hearing:

75 (i) if an election is required under this chapter:

76 (A) no sooner than 30 days before the day on which the notice of election is published  
77 under Section 11-14-202; and

78 (B) no later than five business days before the day on which the notice of election is  
79 published under Section 11-14-202; and

80 (ii) to receive input from the public with respect to:

81 (A) the issuance of the bonds; and

82 (B) the potential economic impact that the improvement, facility, or property for which  
83 the bonds pay all or part of the cost will have on the private sector.

84 (2) A local political subdivision shall:

85 (a) publish the notice required by Subsection (1)(a):

86 (i) once each week for two consecutive weeks in the official newspaper described in  
87 Section 11-14-316 with the first publication being not less than 14 days before the public  
88 hearing required by Subsection (1)[~~(b)~~](c); and

89 (ii) on the Utah Public Notice Website, created under Section 63F-1-701, no less than

90 14 days before the public hearing required by Subsection (1)(~~b~~)(c); and  
91 (b) ensure that the notice:  
92 (i) identifies:  
93 (A) the purpose for the issuance of the bonds;  
94 (B) the maximum principal amount of the bonds to be issued;  
95 (C) the taxes, if any, proposed to be pledged for repayment of the bonds; and  
96 (D) the time, place, and location of the public hearing; and  
97 (ii) informs the public that the public hearing will be held for the purposes described in  
98 Subsection (1)(~~b~~)(c)(ii).

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**Legislative Review Note**  
**as of 3-5-13 9:58 AM**

**Office of Legislative Research and General Counsel**