

SB0235S01 compared with SB0235

~~text~~ shows text that was in SB0235 but was deleted in SB0235S01.

inserted text shows text that was not in SB0235 but was inserted into SB0235S01.

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Senator Lincoln Fillmore proposes the following substitute bill:

LOCAL DISTRICT TAX REVISIONS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions related to property taxes levied by a local district.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ modifies the circumstances under which a local district may levy or collect a property tax that exceeds the certified rate; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

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Utah Code Sections Affected:

AMENDS:

17B-1-1001, as last amended by Laws of Utah 2013, Chapter 415

~~{ 17B-2a-903, as last amended by Laws of Utah 2009, Chapter 218~~

+ 17B-2a-1009, as last amended by Laws of Utah 2013, Chapter 415

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

Section 1. Section **17B-1-1001** is amended to read:

17B-1-1001. Provisions applicable to property tax levy.

(1) Each local district that levies and collects property taxes shall levy and collect them according to the provisions of Title 59, Chapter 2, Property Tax Act.

(2) As used in this section, "elected official" means a local district board of trustees member who:

(a) is elected to the board of trustees by local district voters at an election held for that purpose[; including a member elected under Subsection (4)];

~~[(b) holds, at the time of appointment to the board of trustees, an elected position with a municipality, county, or another local district that is partially or completely included within the boundaries of the local district;]~~

~~[(c)] (b) is appointed in accordance with Subsection 17B-1-303(5) or 17B-1-306(4)(f);~~
or

~~[(d)] (c) is considered to be elected in accordance with Subsection 17B-1-306(4)(g).~~

(3) (a) Except as provided in [~~Subsection~~] Subsections (3)(b) and (c), a local district may not levy or collect property tax revenue that exceeds the certified tax rate during a taxable year that begins on or after January 1, 2011.

(b) [~~Notwithstanding Subsection (3)(a), a~~] A local district may levy or collect property tax revenue that exceeds the certified tax rate during a taxable year that begins on or after January 1, 2011, and before January 1, 2017, if:

(i) and to the extent that the revenue from the property tax was pledged before January 1, 2011, to pay for bonds or other obligations of the local district;

(ii) the members of the board of trustees are all elected officials;

(iii) the majority of the board of trustees are elected officials; or

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(iv) the proposed tax or increase in the property tax rate has been approved by:

(A) a majority of the registered voters within the local district at an election held for that purpose on a date specified in Section 20A-1-204;

(B) the legislative body of the appointing authority; or

(C) the legislative body of:

(I) a majority of the municipalities partially or completely included within the boundary of the specified local district; or

(II) the county in which the specified local district is located, if the county has some or all of its unincorporated area included within the boundary of the specified local district.

(c) A local district may levy or collect property tax revenue that exceeds the certified rate during a taxable year that begins on or after January 1, 2017, if:

(i) and to the extent that the revenue from the property tax was pledged before January 1, 2017, to pay for bonds or other obligations of the local district;

(ii) each member of the board of trustees is an elected official; ~~or~~

(iii) ~~the proposed tax or increase in the property tax rate is first approved by:~~

~~(A)~~ a majority of the registered voters within the local district ~~approve the proposed tax or increase in the property tax rate~~ at an election held for that purpose on a date specified in Section 20A-1-204; or

~~(B)~~ iv) the proposed tax or increase in the property tax rate is first approved by at least two-thirds of the legislative ~~body~~ bodies of ~~each municipality and each county~~;

(A) the municipalities that ~~is~~ are located partially or completely ~~located~~ within the boundaries of the local district; and

(B) the counties with an unincorporated area within the boundaries of the local district.

(4) (a) Notwithstanding provisions to the contrary in Title 17B, Chapter 2a, Provisions Applicable to Different Types of Local Districts, and ~~[for purposes of Subsection (3)(b); members of the board of trustees of a local district shall be elected, if,]~~ subject to Subsection (4)(b), a local district may change the local district's board of trustees to an elected board if:

(i) two-thirds of all members of the board of trustees of the local district vote in favor of changing to an elected board; and

(ii) the legislative body of each municipality ~~or~~ and each county that appoints a member to the board of trustees adopts a resolution approving the change to an elected board.

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(b) A change to an elected board of trustees under Subsection (4)(a) may not shorten the term of any member of the board of trustees serving at the time of the change.

(5) Subsections (2), (3), and (4) do not apply to:

(a) Title 17B, Chapter 2a, Part 6, Metropolitan Water District Act;

(b) Title 17B, Chapter 2a, Part 10, Water Conservancy District Act; or

(c) a local district in which:

(i) the board of trustees consists solely of:

(A) land owners or the land owners' agents; or

(B) as described in Subsection 17B-1-302(1)(c), land owners or the land owners' agents or officers; and

(ii) there are no residents within the local district at the time a property tax is levied.

Section 2. Section ~~{17B-2a-903}~~ 17B-2a-1009 is amended to read:

~~{~~ ~~17B-2a-903. Additional service area powers -- Property tax limitation for service area providing law enforcement service:~~

~~———— (1) In addition to the powers conferred on a service area under Section 17B-1-103, a service area:~~

~~———— (a) may issue bonds as provided in and subject to Chapter 1, Part 11, Local District Bonds, to carry out the purposes of the district;~~

~~———— (b) that, until April 30, 2007, was a regional service area, may provide park, recreation, or parkway services, or any combination of those services; and~~

~~———— (c) may, with the consent of the county in which the service area is located, provide planning and zoning service:~~

~~———— (2) A service area that provides law enforcement service may not levy a property tax or increase its certified tax rate, as defined in Section 59-2-924[.];~~

~~———— (a) for a taxable year that begins before January 1, 2017, without the prior approval of:~~

~~———— [(a)] (i) (A) the legislative body of each municipality that is partly or entirely within the boundary of the service area; and~~

~~———— [(ii)] (B) the legislative body of the county with an unincorporated area within the boundary of the service area; or~~

~~———— [(b) (i)] (ii) (A) a majority of the legislative bodies of all municipalities that are partly or entirely within the boundary of the service area; and~~

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~~[(ii)] (B) two-thirds of the legislative body of the county with an unincorporated area within the boundary of the service area[.]; or~~

~~(b) for a taxable year that begins on or after January 1, 2017, without prior approval of the legislative body of each:~~

~~(i) municipality that is partly or entirely within the boundaries of the service area; and~~

~~(ii) county with an unincorporated area within the boundaries of the service area.~~

~~Section 3. Section 17B-2a-1009 is amended to read:~~

‡ **17B-2a-1009. Limit on property tax authority -- Exceptions.**

(1) As used in this section, "elected official" means a water conservancy district board of trustee member who:

(a) is elected to the board of trustees by water conservancy district voters at an election held for that purpose; or

~~[(b) holds, at the time of appointment to the board of trustees, an elected position with a municipality, county, or local district that is partially or completely included within the boundaries of the water conservancy district; or]~~

~~[(c)] (b) is appointed in accordance with Subsection 17B-1-303(5) or 17B-1-306(4)(f) or (g).~~

(2) The board of trustees of a water conservancy district may not collect property tax revenue ~~[in a tax year beginning on or after January 1, 2015;]~~ that would exceed the certified tax rate under Section 59-2-924 ~~[unless]:~~

(a) in a tax year beginning on or after January 1, 2015, unless:

~~[(a)] (i) the members of the board of trustees are all elected officials;~~

~~[(b)] (ii) the majority of the board of trustees are elected officials; or~~

~~[(c)] (iii) the proposed tax levy has previously been approved by:~~

~~[(+)] (A) a majority of the water conservancy district voters at an election held for that purpose on a date specified in Section 20A-1-204; or~~

~~[(+)] (B) for a district described in Subsection 17B-2a-1005(2)(b), the appointing authority[-]; or~~

(b) in a tax year beginning on or after January 1, 2017, unless:

(i) the members of the board of trustees are all elected officials; or

(ii) the proposed tax levy was previously approved by a majority of the water

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conservancy district voters at an election held for that purpose on a date specified in Section 20A-1-204.

Section ~~{4}~~3. **Effective date.**

This bill takes effect on January 1, 2017.

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Legislative Review Note

~~Office of Legislative Research and General Counsel~~