

HB0332S01 compared with HB0332S02

17 None

18 **Utah Code Sections Affected:**

19 AMENDS:

20 **11-14-103** , as last amended by Laws of Utah 2024, Chapter 474

21 ENACTS:

22 **11-72-101** , Utah Code Annotated 1953

23 **11-72-102** , Utah Code Annotated 1953

26 ~~**{17D-2-303, Utah Code Annotated 1953}**~~

24

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

26 Section 1. Section **11-14-103** is amended to read:

27 **11-14-103. Bond issues authorized -- Purposes -- Use of bond proceeds.**

- 31 (1) Any local political subdivision may, in the manner and subject to the limitations and restrictions
contained in this chapter, issue [its] the local political subdivision's negotiable bonds for the purpose
of paying all or part of the cost of:
- 34 (a) acquiring, improving, or extending any one or more improvements, facilities, or property that the
local political subdivision is authorized by law to acquire, improve, or extend;
- 37 (b) acquiring, or acquiring an interest in, any one or more or any combination of the following types of
improvements, facilities, or property to be owned by the local political subdivision, either alone or
jointly with one or more other local political subdivisions, or for the improvement or extension of
any of those wholly or jointly owned improvements, facilities, or properties:
- 42 (i) public buildings of every nature, including without limitation, offices, courthouses, jails, fire, police
and sheriff's stations, detention homes, and any other buildings to accommodate or house lawful
activities of a local political subdivision;
- 46 (ii) waterworks, irrigation systems, water systems, dams, reservoirs, water treatment plants, and
any other improvements, facilities, or property used in connection with the acquisition, storage,
transportation, and supplying of water for domestic, industrial, irrigation, recreational, and other
purposes and preventing pollution of water;
- 51 (iii) sewer systems, sewage treatment plants, incinerators, and other improvements, facilities, or
property used in connection with the collection, treatment, and disposal of sewage, garbage, or other
refuse;

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- 54 (iv) drainage and flood control systems, storm sewers, and any other improvements, facilities, or
property used in connection with the collection, transportation, or disposal of water;
- 57 (v) recreational facilities of every kind, including without limitation, athletic and play facilities,
playgrounds, athletic fields, gymnasiums, public baths, swimming pools, camps, parks, picnic
grounds, fairgrounds, golf courses, zoos, boating facilities, tennis courts, auditoriums, stadiums,
arenas, and theaters;
- 61 (vi) convention centers, sports arenas, auditoriums, theaters, and other facilities for the holding of
public assemblies, conventions, and other meetings;
- 63 (vii) roads, bridges, viaducts, tunnels, sidewalks, curbs, gutters, and parking buildings, lots, and
facilities;
- 65 (viii) airports, landing fields, landing strips, and air navigation facilities;
- 66 (ix) educational facilities, including without limitation, schools, gymnasiums, auditoriums, theaters,
museums, art galleries, libraries, stadiums, arenas, and fairgrounds;
- 69 (x) hospitals, convalescent homes, and homes for the aged or indigent; and
- 70 (xi) electric light works, electric generating systems, and any other improvements, facilities, or property
used in connection with the generation and acquisition of electricity for these local political
subdivisions and transmission facilities and substations if they do not duplicate transmission
facilities and substations of other entities operating in the state prepared to provide the proposed
service unless these transmission facilities and substations proposed to be constructed will be more
economical to these local political subdivisions;
- 77 (c) new construction, renovation, or improvement to a state highway within the boundaries of the local
political subdivision or an environmental study for a state highway within the boundaries of the
local political subdivision; or
- 80 (d) except as provided in Subsection (5), the portion of any claim, settlement, or judgment that exceeds
\$3,000,000.
- 82 (2) Except as provided in Subsection (1)(c), any improvement, facility, or property under Subsection (1)
need not lie within the limits of the local political subdivision.
- 84 (3) A cost under Subsection (1) may include:
- 85 (a) the cost of equipment and furnishings for such improvements, facilities, or property;
- 86 (b) all costs incident to the authorization and issuance of bonds, including engineering, legal, and fiscal
advisers' fees;

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- 88 (c) costs incident to the issuance of bond anticipation notes, including interest to accrue on bond
anticipation notes;
- 90 (d) interest estimated to accrue on the bonds during the period to be covered by the construction of the
improvement, facility, or property and for 12 months after that period; and
- 93 (e) other amounts which the governing body finds necessary to establish bond reserve funds and to
provide working capital related to the improvement, facility, or property.
- 95 (4)
- (a) Except as provided in Subsection (4)(b), the proceeds from bonds issued on or after May 14, 2013,
may not be used:
- 97 (i) for operation and maintenance expenses for more than one year after the date any of the
proceeds are first used for those expenses; or
- 99 (ii) for capitalization of interest more than five years after the bonds are issued.
- 100 (b) The restrictions on the use of bond proceeds under Subsection (4)(a) do not apply to bonds issued to
pay all or part of the costs of a claim, settlement, or judgment under Subsection (1)(d).
- 103 (5) Beginning on or after July 1, 2021, a local political subdivision may not issue its negotiable bonds
for a purpose described in Subsection (1)(d).
- 105 (6)
- (a) As used in this Subsection (6):
- 106 (i) "Applicable lease revenue bond" means a lease revenue bond in an amount that exceeds
\$10,000,000.
- 108 (ii) "Combined total" means the total of all lease revenue bonds issued by a local political
subdivision within any consecutive three-year period.
- 110 (b)
- (i) A local political subdivision may not issue a lease revenue bond if the issuance of the bond will
cause the combined total to exceed \$200,000,000.
- 112 (ii) The amount of a lease revenue bond to pay for the construction, reconstruction, or remodeling of a
correctional facility, as defined in Section 77-17b-102, does not count toward the combined total.
- 115 (c) A school district may not issue a lease revenue bond to pay for the construction, reconstruction, or
remodeling of a school district building or facility unless, in accordance with Title 11, Chapter 14,
Part 2, Bond Elections, the school district first gives the voters of the school district an opportunity
to approve a general obligation bond, described in Section 11-14-310, to pay for the construction,

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reconstruction, or remodeling of the school district building or facility instead of the lease revenue bond.

- 121 [(e)] (d) Before issuing an applicable lease revenue bond on or after May 1, 2024, a local political
subdivision shall:
- 123 (i) make a statement at a meeting of the local political subdivision, as provided in Subsection [(6)
(d)] (6)(e);
- 125 (ii) as provided in Subsection [(6)(e)] (6)(f), publish notice of the proposed issuance of a lease revenue
bond and of the public hearing under Subsection [(6)(f)] (6)(g); and
- 128 (iii) hold a public hearing, as provided in Subsection [(6)(f)] (6)(g).
- 129 [(d)] (e)
- (i) At a regular meeting of the local political subdivision that is held at least 14 days before a public
hearing under Subsection [(6)(f)] (6)(f), the governing body of a local political subdivision intending
to issue an applicable lease revenue bond shall make a statement indicating:
- 133 (A) the intent to issue a lease revenue bond; and
- 134 (B) the purpose and estimated amount of the lease revenue bond.
- 135 (ii) The local political subdivision's agenda under Section 52-4-202 for a meeting described in
Subsection [(6)(d)(i)] (6)(e)(i) shall include a separate item for the statement required under
Subsection [(6)(d)(i)] (6)(e)(i).
- 138 [(e)] (f)
- (i) A local political subdivision intending to issue an applicable lease revenue bond shall provide notice
of the intent to issue a lease revenue bond and of the public hearing required under Subsection [(6)
(f)] (6)(g).
- 141 (ii) The notice required under Subsection [(6)(e)(i)] (6)(f)(i) shall be published:
- 142 (A) subject to Section 45-1-101, in a newspaper or combination of newspapers of general circulation in
the local political subdivision;
- 144 (B) electronically in accordance with Section 45-1-101; and
- 145 (C) for the local political subdivision, as a class A notice under Section 63G-30-102, for at least 14 days
immediately before the public hearing under Subsection [(6)(d)] (6)(e).
- 148 (iii) If the local political subdivision intending to issue an applicable lease revenue bond is a school
district, the notice required by Subsection [(6)(e)(i)] (6)(f)(i) shall include a statement that contains
substantially the following language: "This proposed lease revenue bond commits money from

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future property tax and income tax revenue allocated to the school district. Additionally, a lease revenue bond generally has a higher interest cost than a voter-approved general obligation bond."

- 154 (iv) The notice described in Subsection [~~(6)(e)(ii)(A)~~] (6)(f)(ii)(A):
- 155 (A) shall be no less than 1/4 page in size, use type no smaller than 18 point, and be surrounded by a 1/4-
- 157 (B) shall be run once each week for the two weeks before a local political subdivision conducts a public
- 159 (C) may not be placed in the portion of a newspaper where legal notices and classified advertisements
- 161 (v) A notice required under Subsection [~~(6)(e)(i)~~] (6)(f)(i) shall:
- 162 (A) contain a clear statement indicating that the local political subdivision intends to issue a lease
- 164 (B) explain the purpose, proposed amount, and length of term of the lease revenue bond and the annual
- 167 (C) identify the intended lessee of the facility to be constructed using proceeds from the lease revenue
- 170 (D) provide the date, time, place, and purpose of the public hearing under Subsection [~~(6)(f)~~] (6)(g); and
- 172 (E) provide the date, time, and place of the local political subdivision governing body meeting at which
- 175 (f) (g)
- (i) A local political subdivision intending to issue an applicable lease revenue bond shall hold a public hearing on the proposed lease revenue bond.
- 177 (ii) A public hearing under this Subsection [~~(6)(f)~~] (6)(g):
- 178 (A) shall be held beginning at or after 6:00 p.m.;
- 179 (B) shall be held separate from any other public hearing; and
- 180 (C) may be held the same day as another public hearing, including immediately before or after the other public hearing.
- 182 (iii) At a public hearing under this Subsection [~~(6)(f)~~] (6)(g), the governing body of the local political subdivision shall provide a member of the public desiring to be heard an opportunity to present testimony on the proposed issuance of a lease revenue bond:

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- 186 (A) within reasonable time limits; and
187 (B) without unreasonable restriction on the number of individuals allowed to make public comment.

186 Section 2. Section 2 is enacted to read:

188 **11-72-101. Definitions.**

72. Public-Private Partnerships

As used in this chapter, "public-private partnership" means an arrangement or agreement between a political subdivision and one or more private persons to fund and provide for a public need through the development or operation of a public project in which the private person or persons share with the government entity the responsibility or risk of developing, owning, maintaining, financing, or operating the project.

194 Section 3. Section 3 is enacted to read:

195 **11-72-102. Public-private partnerships prohibited.**

Except as provided in Section 53E-3-507.1, a school district may not establish a public-private partnership to construct, acquire, improve, extend, or finance a school district project.

202 Section 4. Section 4 is enacted to read:

203 **17D-2-303. Voter-rejected project prohibited.**

A local building authority may not construct, acquire, improve, extend, or finance a project on behalf of the school district that created the local building authority if the project, a portion of the project, or a substantially similar project, was rejected by the voters of a school district.

199 Section 4. **Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

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