

LOCAL DISTRICT REVISIONS

2017 GENERAL SESSION

STATE OF UTAH

LONG TITLE**General Description:**

This bill modifies provisions related to local districts.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires legislative body approval of most local districts' budgets;
- ▶ modifies the circumstances under which a local district, other than a large water conservancy district, may levy or collect a property tax that exceeds the certified tax rate; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

17B-1-601, as last amended by Laws of Utah 2014, Chapter 253

17B-1-605, as last amended by Laws of Utah 2013, Chapter 295

17B-1-614, as renumbered and amended by Laws of Utah 2007, Chapter 329

17B-1-622, as renumbered and amended by Laws of Utah 2007, Chapter 329

17B-1-629, as renumbered and amended by Laws of Utah 2007, Chapter 329

17B-1-630, as renumbered and amended by Laws of Utah 2007, Chapter 329

17B-1-702, as renumbered and amended by Laws of Utah 2007, Chapter 329

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

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

17D-3-107, as enacted by Laws of Utah 2012, Chapter 103

32

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

34 Section 1. Section **17B-1-601** is amended to read:

35 **17B-1-601. Definitions.**

36 As used in this part:

37 (1) "Appropriation" means an allocation of money by the board of trustees for a
38 specific purpose.

39 (2) "Budget" means a plan of financial operations for a fiscal year which embodies
40 estimates of proposed expenditures for given purposes and the proposed means of financing
41 them, and may refer to the budget of a particular fund for which a budget is required by law or
42 it may refer collectively to the budgets for all such funds.

43 (3) "Budget officer" means the person appointed by the local district board of trustees
44 to prepare the budget for the district.

45 (4) "Budget year" means the fiscal year for which a budget is prepared.

46 (5) "Calendar year entity" means a local district whose fiscal year begins January 1 and
47 ends December 31 of each calendar year as described in Section 17B-1-602.

48 (6) "Current year" means the fiscal year in which a budget is prepared and adopted,
49 which is the fiscal year next preceding the budget year.

50 (7) "Deficit" has the meaning given under generally accepted accounting principles as
51 reflected in the Uniform Accounting Manual for Local Districts.

52 (8) "Estimated revenue" means the amount of revenue estimated to be received from all
53 sources during the budget year in each fund for which a budget is being prepared.

54 (9) "Financial officer" means the official under Section 17B-1-642.

55 (10) "Fiscal year" means the annual period for accounting for fiscal operations in each
56 district.

57 (11) "Fiscal year entity" means a local district whose fiscal year begins July 1 of each
58 year and ends on June 30 of the following year as described in Section 17B-1-602.

59 (12) "Fund" has the meaning given under generally accepted accounting principles as
60 reflected in the Uniform Accounting Manual for Local Districts.

61 (13) "Fund balance" has the meaning given under generally accepted accounting
62 principles as reflected in the Uniform Accounting Manual for Local Districts.

63 (14) "General fund" is as defined by the Governmental Accounting Standards Board as
64 reflected in the Uniform Accounting Manual for All Local Governments prepared by the Office
65 of the Utah State Auditor.

66 (15) "Governmental funds" means the general fund, special revenue fund, debt service
67 fund, and capital projects fund of a local district.

68 (16) "Interfund loan" means a loan of cash from one fund to another, subject to future
69 repayment.

70 (17) "Large water conservancy district" means a water conservancy district that has
71 more than one county partially or completely within the water conservancy district's geographic
72 boundaries.

73 [~~(17)~~] (18) "Last completed fiscal year" means the fiscal year next preceding the
74 current fiscal year.

75 [~~(18)~~] (19) "Local district general fund" means the general fund used by a local district.

76 [~~(19)~~] (20) "Proprietary funds" means enterprise funds and the internal service funds of
77 a local district.

78 [~~(20)~~] (21) "Public funds" means any money or payment collected or received by an
79 officer or employee of a local district acting in an official capacity and includes money or
80 payment to the officer or employee for services or goods provided by the district, or the officer
81 or employee while acting within the scope of employment or duty.

82 [~~(21)~~] (22) "Retained earnings" has the meaning given under generally accepted
83 accounting principles as reflected in the Uniform Accounting Manual for Local Districts.

84 [~~(22)~~] (23) "Special fund" means any local district fund other than the local district's
85 general fund.

86 Section 2. Section **17B-1-605** is amended to read:

87 **17B-1-605. Budget required for certain funds -- Capital projects fund.**

88 (1) The budget officer of each local district shall prepare for each budget year a budget
89 for each of the following funds:

90 (a) the General Fund;

91 (b) special revenue funds;

92 (c) debt service funds;

93 (d) capital projects funds;

94 (e) proprietary funds, in accordance with Section 17B-1-629;

95 (f) if the local district has a local fund, as defined in Section 53-2a-602, the local fund;

96 and

97 (g) any other fund or funds for which a budget is required by the uniform system of
98 budgeting, accounting, and reporting.

99 (2) (a) Major capital improvements financed by general obligation bonds, capital
100 grants, or interfund transfers shall use a capital projects fund budget unless the improvements
101 financed are to be used for proprietary type activities.

102 (b) The local district shall prepare a separate budget for the term of the projects as well
103 as the annual budget required under Subsection (1).

104 (c) (i) A budget described in Subsection (2)(b) is subject to the submission
105 requirements described in Section 17B-1-702.

106 (ii) Except as provided in Subsection (2)(c)(iv), the board of trustees may not adopt a
107 budget described in Subsection (2)(b) without the approval of two-thirds of the legislative
108 bodies of:

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

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

112 (iii) For purposes of Subsection (2)(c)(ii), the budget need not be approved by
113 two-thirds of the municipal legislative bodies and two-thirds of the county legislative bodies,
114 but by two-thirds of the total number of legislative bodies.

115 (iv) This Subsection (2)(c) does not apply to a large water conservancy district.

116 Section 3. Section **17B-1-614** is amended to read:

117 **17B-1-614. Adoption of final budget -- Approval of final budget -- Certification**
118 **and filing.**

119 (1) [~~The~~] Subject to Subsection (2), the board of trustees of each local district shall [~~by~~
120 ~~resolution~~] adopt by resolution a final budget for the ensuing fiscal year for each fund for
121 which a budget is required under this part prior to the beginning of the fiscal year, except as
122 provided in Sections 59-2-919 through 59-2-923.

123 (2) (a) Except as provided in Subsection (2)(c), a local district may not adopt a final
124 budget described in Subsection (1) without the approval of two-thirds of the legislative bodies

125 of:

126 (i) the municipalities that are located partially or completely within the boundaries of
127 the local district; and

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

129 (b) For purposes of Subsection (2)(a), the final budget for each fund need not be
130 approved by two-thirds of the municipal legislative bodies and two-thirds of the county
131 legislative bodies, but by two-thirds of the total number of legislative bodies.

132 (c) This Subsection (2) does not apply to a large water conservancy district.

133 (3) The local district's budget officer shall certify a copy of the final budget for each
134 fund and file it with the state auditor within 30 days after adoption.

135 Section 4. Section **17B-1-622** is amended to read:

136 **17B-1-622. Amendment and increase of individual fund budgets -- Approval of**
137 **amendment and increase.**

138 (1) [After] Subject to Subsections (2) and (3) and after holding the hearing [referred to]
139 described in Section 17B-1-621, the board of trustees may, by resolution, amend the budgets of
140 the funds proposed to be increased, so as to make all or part of the increases, both estimated
141 revenues and appropriations, which were the proper subject of consideration at the hearing.

142 (2) The board of trustees may not adopt an amendment to the current year budgets of
143 any of the funds established in Section 17B-1-605 after the last day of the fiscal year.

144 (3) (a) Except as provided in Subsection (3)(c), the board of trustees may not adopt an
145 amendment described in Subsection (1) without the approval of two-thirds of the legislative
146 bodies of:

147 (i) the municipalities that are located partially or completely within the boundaries of
148 the local district; and

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

150 (b) For purposes of Subsection (3)(a), the amendment to a current year budget need not
151 be approved by two-thirds of the municipal legislative bodies and two-thirds of the county
152 legislative bodies, but by two-thirds of the total number of legislative bodies.

153 (c) This Subsection (3) does not apply to a large water conservancy district.

154 Section 5. Section **17B-1-629** is amended to read:

155 **17B-1-629. Operating and capital budgets.**

156 (1) (a) As used in this section, "operating and capital budget" means a plan of financial
 157 operation for a proprietary or other required special fund, embodying estimates of operating
 158 resources and expenses and other outlays for a fiscal year.

159 (b) Except as otherwise expressly provided, the ~~[reference]~~ references to "budget" or
 160 "budgets" and the procedures and controls relating to them in other sections of this part do not
 161 apply or refer to the "operating and capital budgets" provided for in this section.

162 (2) On or before the time the board of trustees adopts budgets for the governmental
 163 funds under Section 17B-1-605, ~~[it]~~ the board of trustees shall adopt for the ensuing year:

164 (a) an operating and capital budget for each proprietary fund; and ~~[shall adopt]~~

165 (b) the type of budget for other special funds ~~[which]~~ that is required by the Uniform
 166 Accounting Manual for Local Districts.

167 ~~[(3) Operating and capital budgets shall be adopted and administered in the following~~
 168 ~~manner:]~~

169 ~~[(a) (i) On or before the first regularly scheduled meeting of the board of trustees, in~~
 170 ~~November for calendar year entities and May for fiscal year entities,]~~

171 (3) (a) The board of trustees shall adopt and administer operating and capital budgets
 172 as provided in this Subsection (3).

173 (b) (i) In accordance with Subsection (3)(b)(ii), the budget officer shall prepare for the
 174 ensuing fiscal year, and file with the board of trustees~~;~~:

175 (A) a tentative operating and capital budget for each proprietary fund and for other
 176 required special funds~~;~~ ~~together with~~;

177 (B) a description of specific work programs; and

178 (C) any other supporting data required by the board of trustees.

179 (ii) The budget officer shall prepare the items described in Subsection (3)(b)(i) on or
 180 before the first regularly scheduled meeting of the board of trustees, which is:

181 (A) for fiscal-year entities, in May; and

182 (B) for calendar-year entities, in November.

183 ~~[(iii)]~~ (iii) If, within any proprietary fund, a tentative budget includes allocations or
 184 transfers that are not reasonable allocations of costs between funds ~~[are included in a tentative~~
 185 ~~budget]~~, a written notice of the date, time, place, and purpose of the hearing shall be mailed to
 186 utility fund customers at least seven days before the hearing.

187 ~~[(iii)]~~ (iv) The purpose portion of the notice required under Subsection
 188 (3)~~[(a)(ii)]~~(b)(iii) shall identify:

189 (A) the enterprise utility fund from which money is being transferred;

190 (B) the amount being transferred; and

191 (C) the fund to which the money is being transferred.

192 ~~[(b)]~~ (c) (i) The board of trustees shall review and consider the tentative budgets at any
 193 regular meeting or special meeting called for that purpose.

194 (ii) The board of trustees may make any changes in the tentative budgets that ~~[(it)]~~ the
 195 board of trustees considers advisable.

196 ~~[(c)]~~ (d) (i) Budgets for proprietary or other required special funds shall comply with
 197 the public hearing requirements established in Sections 17B-1-609 and 17B-1-610.

198 (ii) The board of trustees shall submit budgets for proprietary or other required special
 199 funds to the legislative bodies in accordance with Section 17B-1-702.

200 ~~[(d)]~~ (e) (i) ~~[(The)]~~ Subject to Subsection (3)(e)(ii), the board of trustees shall adopt an
 201 operating and capital budget for each proprietary fund for the ensuing fiscal year before the
 202 beginning of each fiscal year, except as provided in Sections 59-2-919 through 59-2-923.

203 (ii) Except as provided in Subsection (3)(e)(iv), the board of trustees may not adopt a
 204 final operating and capital budget for a proprietary fund without the approval of two-thirds of
 205 the legislative bodies of:

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

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

209 (iii) For purposes of Subsection (3)(e)(ii), the budget need not be approved by
 210 two-thirds of the municipal legislative bodies and two-thirds of the county legislative bodies,
 211 but by two-thirds of the total number of legislative bodies.

212 (iv) Subsections (3)(e)(ii) and (iii) do not apply to a large water conservancy district.

213 ~~[(ii) A]~~ (v) The budget officer shall:

214 (A) certify a copy of the final budget as [finally] adopted for each proprietary fund
 215 [shall be certified by the budget officer and filed by the officer];

216 (B) file a copy of the final budget in the district office; and ~~[(shall be)]~~

217 (C) make a copy of the final budget available to the public during regular business

218 hours.

219 ~~[(iii) A]~~ (vi) The budget officer shall file a copy of the final budget [shall also be filed]
 220 with the state auditor within 30 days after adoption.

221 ~~[(e)]~~ (f) (i) Upon ~~[final]~~ adoption, the final operating and capital budget is in effect for
 222 the budget year, subject to later amendment.

223 (ii) During the budget year, in any regular meeting or special meeting called for that
 224 purpose, the board of trustees may~~[; in any regular meeting or special meeting called for that~~
 225 ~~purpose;]~~ review any one or more of the operating and capital budgets for the purpose of
 226 determining if the total of any of them should be increased.

227 (iii) If the board of trustees decides that the budget total of one or more of these
 228 proprietary funds should be increased, the board of trustees shall follow the procedures
 229 established in Section 17B-1-630.

230 ~~[(f)]~~ (g) Expenditures from operating and capital budgets shall conform to the
 231 requirements relating to budgets specified in Sections 17B-1-617 through 17B-1-620.

232 Section 6. Section **17B-1-630** is amended to read:

233 **17B-1-630. Increase in appropriations for operating and capital budget funds --**
 234 **Notice -- Legislative body approval.**

235 ~~[The]~~ (1) (a) Subject to Subsection (2), at any regular meeting, or special meeting
 236 called for that purpose, the board of trustees may increase, by resolution, the total budget
 237 appropriation of any fund described in Section 17B-1-629 [may be increased by resolution of
 238 the board of trustees at any regular meeting, or special meeting called for that purpose;] if
 239 written notice of the time, place, and purpose of the meeting has been mailed or delivered to all
 240 members of the board of trustees at least five days prior to the meeting. ~~[The notice may be~~
 241 ~~waived]~~

242 (b) Any member of the board of trustees may waive the notice required by Subsection
 243 (1)(a) in writing or orally during attendance at the meeting [by any member of the board of
 244 trustees].

245 (2) (a) Except as provided in Subsection (2)(c), the board of trustees may not increase
 246 the total budget appropriation without the approval of two-thirds of the legislative bodies of:

247 (i) the municipalities that are located partially or completely within the boundaries of
 248 the local district; and

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

250 (b) For purposes of Subsection (2)(a), the increase in total budget appropriation need
 251 not be approved by two-thirds of the municipal legislative bodies and two-thirds of the county
 252 legislative bodies, but by two-thirds of the total number of legislative bodies.

253 (c) This Subsection (2) does not apply to a large water conservancy district.

254 Section 7. Section **17B-1-702** is amended to read:

255 **17B-1-702. Local districts to submit budgets -- Legislative body approval.**

256 (1) (a) Except as provided in Subsection (1)(b), within 30 days after the day on which
 257 the board of trustees of a local district approves a tentative budget, and at least 30 days before
 258 the day on which the board of trustees adopts a final budget, the board of trustees for each local
 259 district with an annual budget of \$50,000 or more shall send a copy of the local district's
 260 tentative budget and notice of the time and place for the budget hearing to:

261 (i) each of the local district's constituent entities; and

262 (ii) each of the local district's customer agencies that has, in writing, requested a copy.

263 (b) (i) Within 30 days after [it is approved by the board,] the day on which the board of
 264 trustees of a large water conservancy district approves a tentative budget and at least 30 days
 265 before the day on which the board of trustees adopts a final budget, the board of trustees of
 266 each [local] large water conservancy district with an annual budget of \$50,000 or more shall
 267 send a copy of [its] the large water conservancy district's tentative budget and notice of the time
 268 and place for [its] the budget hearing to:

269 [(†)] (A) each of [its] the large water conservancy district's constituent entities that has,
 270 in writing, requested a copy; and

271 [(††)] (B) [to] each of [its] the large water conservancy district's customer agencies that
 272 has, in writing, requested a copy.

273 [(b)] (ii) Within 30 days after [it is approved by] the day on which the board of trustees
 274 of a public transit district approves a tentative budget, and at least 30 days before the day on
 275 which the board of trustees of a public transit district adopts a final budget, the board of
 276 trustees of a public transit district serving a population of more than 200,000 [people] shall
 277 send a copy of [its] the public transit district's tentative budget and notice of the time and place
 278 for [its] the budget hearing to:

279 [(†)] (A) each of [its] the public transit district's constituent entities;

280 [(iii)] (B) each of [~~its~~] the public transit district's customer agencies that has, in writing,
281 requested a copy;

282 [(iii)] (C) the governor; and

283 [~~(iv)~~] (D) the Legislature.

284 (c) The local district shall include with the tentative budget a signature sheet that
285 includes:

286 (i) language that the constituent entity or customer agency received the tentative budget
287 and has no objection to it; and

288 (ii) a place for the chairperson or other designee of the constituent entity or customer
289 agency to sign.

290 (2) Each constituent entity and each customer agency that receives the tentative budget
291 shall review the tentative budget submitted by the district and either:

292 (a) sign the signature sheet and return it to the local district; or

293 (b) attend the budget hearing or other meeting scheduled by the local district to discuss
294 the objections to the proposed budget.

295 (3) (a) If any constituent entity or customer agency that received the tentative budget
296 has not returned the signature sheet to the local district within 15 calendar days after the day on
297 which the board of trustees mailed the tentative budget [~~was mailed~~], the local district shall
298 send a written notice of and invitation to attend the budget hearing to each constituent entity or
299 customer agency that did not return a signature sheet [~~and invite them to attend that hearing~~].

300 (b) If requested [~~to do so~~] by any constituent entity or customer agency, the local
301 district shall schedule a meeting to discuss the budget with the constituent entities and
302 customer agencies.

303 (c) At the budget hearing, the local district board of trustees shall:

304 (i) explain [~~its~~] the tentative budget and answer any questions about it;

305 (ii) specifically address any questions or objections raised by the constituent entity,
306 customer agency, or those attending the meeting; and

307 (iii) seek to resolve the objections.

308 (4) (a) Nothing in this part prevents a local district board of trustees from approving or
309 implementing a budget over any [~~or all constituent entity's or~~] customer agency's protests,
310 objections, or failure to respond.

311 (b) (i) A board of trustees of a local district, other than a large water conservancy
 312 district, may not implement a final budget without approval of the final budget by two-thirds of
 313 the legislative bodies, in accordance with Sections 17B-1-614 and 17B-1-629.

314 (ii) A board of trustees of a large water conservancy district may implement a final
 315 budget over any constituent entity's protests, objections, or failure to respond.

316 Section 8. Section **17B-1-1001** is amended to read:

317 **17B-1-1001. Provisions applicable to property tax levy.**

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

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

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

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

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

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

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

331 (a) elected to the board of trustees by local district voters at an election held for that
 332 purpose;

333 (b) appointed in accordance with Subsection 17B-1-303(5) or 17B-1-306(4)(f); or

334 (c) considered to be elected in accordance with Subsection 17B-1-306(4)(g).

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

338 (b) Notwithstanding Subsection (3)(a), a local district may levy or collect property tax
 339 revenue that exceeds the certified tax rate during a taxable year that begins on or after January
 340 1, ~~[2011]~~ 2018, if:

341 (i) ~~[and]~~ to the extent that the revenue from the property tax was pledged before

342 January 1, ~~[2011,]~~ 2018, the local district pledges the property tax revenue to pay for bonds or
 343 other obligations of the local district;

344 (ii) ~~[the members]~~ each member of the board of trustees ~~[are all]~~ is a directly elected
 345 ~~[officials]~~ official;

346 ~~[(iii) the majority of the board of trustees are elected officials; or]~~

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

348 ~~[(A)]~~ (iii) a majority of the registered voters within the local district approve the
 349 proposed tax levy at an election held for that purpose on a date specified in Section 20A-1-204;

350 or

351 ~~[(B) the legislative body of the appointing authority; or]~~

352 ~~[(C) the legislative body of:]~~

353 ~~[(F) a majority of the municipalities partially or completely included within the~~
 354 ~~boundary of the specified local district; or]~~

355 ~~[(H) the county in which the specified local district is located, if the county has some or~~
 356 ~~all of its unincorporated area included within the boundary of the specified local district.]~~

357 (iv) subject to Subsection (3)(c), the proposed tax levy is approved by two-thirds of the
 358 legislative bodies of:

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

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

362 (c) For purposes of Subsection (3)(b)(iv), the proposed tax levy need not be approved
 363 by two-thirds of the municipal legislative bodies and two-thirds of the county legislative
 364 bodies, but by two-thirds of the total number of legislative bodies.

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

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

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

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

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

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

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

378 (c) a local district in which:

379 (i) the board of trustees consists solely of:

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

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

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

384 Section 9. Section **17B-2a-1009** is amended to read:

385 **17B-2a-1009. Limit on property tax authority -- Exceptions.**

386 (1) As used in this section~~["elected"]~~:

387 (a) "Directly elected official" means a water conservancy district board of trustees
388 member who:

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

391 (ii) is appointed in accordance with Subsection 17B-1-303(5) or 17B-1-306(4)(f); or

392 (iii) is considered to be elected in accordance with Subsection 17B-1-306(4)(g).

393 (b) "Elected official" means a water conservancy district board of [trustee] trustees
394 member who:

395 ~~[(a)]~~ (i) is elected to the board of trustees by water conservancy district voters at an
396 election held for that purpose;

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

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

402 (iv) is considered to be elected in accordance with Subsection 17B-1-306(4)(g).

403 (c) "Large water conservancy district" means a water conservancy district that has more

404 than one county partially or completely within the water conservancy district's geographic
405 boundaries.

406 (2) [The] During a taxable year that begins on or after January 1, 2015, the board of
407 trustees of a large water conservancy district may not collect property tax revenue [~~in a tax year~~
408 ~~beginning on or after January 1, 2015,~~] that would exceed the certified tax rate under Section
409 59-2-924 unless:

410 (a) ~~[the members]~~ each member of the board of trustees ~~[are all]~~ is an elected ~~[officials]~~
411 official;

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

413 (c) the proposed tax levy has previously been approved by:

414 (i) a majority of the large water conservancy district voters at an election held for that
415 purpose on a date specified in Section 20A-1-204; or

416 (ii) for a district described in Subsection 17B-2a-1005(2)(b), the appointing authority.

417 (3) During a taxable year beginning on or after January 1, 2018, the board of trustees of
418 a water conservancy district, other than a large water conservancy district, may not collect
419 property tax revenue that exceeds the certified tax rate under Section 59-2-924 unless:

420 (a) each member of the board of trustees is a directly elected official;

421 (b) a majority of the voters within the water conservancy district approve the proposed
422 tax levy at an election held for that purpose on a date specified in Section 20A-1-204; or

423 (c) subject to Subsection (4), the proposed tax levy is approved by two-thirds of the
424 legislative bodies of:

425 (i) the municipalities that are located partially or completely within the boundaries of
426 the water conservancy district; and

427 (ii) the county with an unincorporated area within the boundaries of the water
428 conservancy district.

429 (4) For purposes of Subsection (3)(c), the proposed tax levy need not be approved by
430 two-thirds of the municipal legislative bodies and two-thirds of the county legislative bodies,
431 but by two-thirds of the total number of legislative bodies.

432 Section 10. Section **17D-3-107** is amended to read:

433 **17D-3-107. Annual budget and financial reports requirements.**

434 Upon agreement with the commission, the state auditor may modify:

435 (1) for filing a budget, a requirement in Subsection 17B-1-614~~[(2)]~~(3) or
436 17B-1-629(3)~~[(d)]~~(e); or

437 (2) for filing a financial report, a requirement in Section 17B-1-639.

438 Section 11. **Effective date.**

439 This bill takes effect on January 1, 2018.