

**Part 4**  
**Sale or Lease of Power Plants**

**10-7-15 Sale or lease of electrical generation and distribution system -- Appraisal and vote required -- Manner of conducting the election.**

- (1)
- (a) Before selling or leasing in their entirety the works and plant constructed, purchased, or used by the municipality for the purpose of generating or distributing electrical energy for light, heat, or power purposes, the municipal legislative body shall:
    - (i) cause an appraisal of the property proposed to be sold or leased to be made under the supervision of three resident taxpayers of the municipality, to be appointed by the municipal legislative body; and
    - (ii) provide for submitting to the registered voters of the municipality the question of the sale or lease of the property, at the next general election or at a special election called for that purpose.
  - (b) The value of the property determined in an appraisal under Subsection (1)(a)(i) shall include all items that the municipal legislative body determines to add value to or subtract value from the property.
- (2)
- (a) Subject to Subsection (2)(b), each election under Subsection (1)(a)(ii) shall be called and conducted in the same manner as provided by statute for the issue of bonds in Section 10-7-8, the necessary changes in the form of the ballot being made.
  - (b) Each notice of election required under Section 11-14-202 for an election held under Subsection (1)(a)(ii) shall include:
    - (i) a summary of the appraisal made under Subsection (1)(a)(i), including the amount of the appraisal; and
    - (ii) the name of each bidder who submitted a bid that was opened and considered under Section 10-7-17 and the amount of each bid.
- (3) In the process of selling or leasing in their entirety the municipality's electrical works and plant, a municipal legislative body may take whatever action it considers appropriate and in the sequence it considers appropriate, subject to the requirements of this section and Sections 10-7-16 and 10-7-17.

Amended by Chapter 105, 2005 General Session

**10-7-16 Call for bids -- Notice -- Contents.**

- (1)
- (a) Before holding an election under Subsection 10-7-15(1)(a)(ii), the municipal legislative body shall open to bid the sale or lease of the property mentioned in Section 10-7-15.
  - (b) The municipal legislative body shall cause notice of the bid process to be given by publication for at least three consecutive weeks:
    - (i) in a newspaper published or having general circulation in the city or town; and
    - (ii) as required in Section 45-1-101.
  - (c) The notice described in Subsection (1) shall:
    - (i) give a general description of the property to be sold or leased;
    - (ii) specify the time when sealed bids for the property, or for a lease on the property, will be received; and

(iii) specify the time when and the place where the bids will be opened.

(2)

- (a) As used in this section and in Section 10-7-17, "responsible bidder" means an entity with a proven history of successful operation of an electrical generation and distribution system, or an equivalent proven history.
- (b) Subject to Subsection (2)(c), a municipal legislative body may receive or refuse to receive any bid submitted for the sale or lease of the electrical works and plant.
- (c) A municipal legislative body may not receive a bid unless the municipal legislative body determines that the bid is submitted by a responsible bidder.

Amended by Chapter 388, 2009 General Session

**10-7-17 Opening of bids -- Amount to equal or exceed appraised value and amount of outstanding indebtedness.**

At the time and place mentioned in the notice under Section 10-7-16, all bids received by the municipal legislative body for the property sought to be sold or leased shall be opened and considered, and the municipal legislative body shall, subject to approval of voters at an election held under Section 10-7-15, accept the bid of the highest responsible bidder, as defined in Section 10-7-16, if the bid price:

(1)

- (a) is for an amount equal to or exceeding the appraised value of the property to be sold, as determined under Subsection 10-7-15(1); or
  - (b) in the judgment of the municipal legislative body, is an adequate price for the property; and
- (2) equals or exceeds the total principal and interest on any outstanding bonds and other indebtedness issued for the purpose of constructing the works or plant.

Amended by Chapter 90, 2002 General Session

**10-7-18 Disposition of money received.**

- (1) All money received from the sale of property under Sections 10-7-15 through 10-7-17 shall be kept in a separate fund, and may not be expended, or mixed with other funds of the city or town, until all bonds and other indebtedness issued for the purchase or construction of the plant or works, together with accumulated interest thereon, have first been paid.
- (2) If the property sold brings an amount in excess of the outstanding bonds and other indebtedness issued for the purchase or construction of the property sold, the excess shall be deposited in a bank in this state under direction of the municipal legislative body, and may not thereafter be expended except for some municipal purpose by authority given by the registered voters of the city or town at a general or special election called and conducted in the manner set forth in Sections 10-7-7 and 10-7-8.

Amended by Chapter 378, 2010 General Session