

**11-42-405 Limit on amount of assessment -- Costs required to be paid by the local entity.**

- (1) An assessment levied within an assessment area may not, in the aggregate, exceed the sum of:
  - (a) the contract price or estimated contract price;
  - (b) the acquisition price of improvements;
  - (c) the reasonable cost of:
    - (i)
      - (A) utility services, maintenance, and operation, to the extent permitted by Subsection 11-42-401(4); and
      - (B) labor, materials, or equipment supplied by the local entity;
    - (ii) economic promotion activities; or
    - (iii) operation and maintenance costs;
  - (d) the price or estimated price of purchasing property;
  - (e) any connection fees;
  - (f) estimated interest on interim warrants and bond anticipation notes issued with respect to an assessment area;
  - (g) the capitalized interest on each assessment bond;
  - (h) overhead costs not to exceed 15% of the sum of Subsections (1)(a), (b), (c), and (e);
  - (i) an amount for contingencies of not more than 10% of the sum of Subsections (1)(a) and (c), if the assessment is levied before construction of the improvements in the assessment area is completed;
  - (j) an amount sufficient to fund a reserve fund, if the governing body creates and funds a reserve fund as provided in Section 11-42-702;
  - (k) 1/2 the cost of grading changes as provided in Section 11-42-407; and
  - (l) incidental costs incurred by a property owner in order to satisfy the local entity's requirements for inclusion in a voluntary assessment area, if applicable.
- (2) Each local entity providing an improvement in an assessment area shall pay, from improvement revenues not pledged to the payment of bonds and from any other legally available money:
  - (a) overhead costs for which an assessment cannot be levied;
  - (b) the costs of providing an improvement for which an assessment was not levied, if the assessment is levied before construction of the improvement in the assessment area is completed; and
  - (c) the acquisition and constructions costs of an improvement for the benefit of property against which an assessment may not be levied.

Amended by Chapter 246, 2013 General Session