

**Effective 5/12/2015**

**17B-1-1102 General obligation bonds.**

- (1) Except as provided in Subsection (3), if a district intends to issue general obligation bonds, the district shall first obtain the approval of district voters for issuance of the bonds at an election held for that purpose as provided in Title 11, Chapter 14, Local Government Bonding Act.
- (2) General obligation bonds shall be secured by a pledge of the full faith and credit of the district, subject, for a water conservancy district, to the property tax levy limits of Section 17B-2a-1006.
- (3) A district may issue refunding general obligation bonds, as provided in Title 11, Chapter 27, Utah Refunding Bond Act, without obtaining voter approval.
- (4)
  - (a) A local district may not issue general obligation bonds if the issuance of the bonds will cause the outstanding principal amount of all of the district's general obligation bonds to exceed the amount that results from multiplying the fair market value of the taxable property within the district, as determined under Subsection 11-14-301(3)(b), by a number that is:
    - (i) .05, for a basic local district;
    - (ii) .004, for a cemetery maintenance district;
    - (iii) .002, for a drainage district;
    - (iv) .004, for a fire protection district;
    - (v) .024, for an improvement district;
    - (vi) .1, for an irrigation district;
    - (vii) .1, for a metropolitan water district;
    - (viii) .0004, for a mosquito abatement district;
    - (ix) .03, for a public transit district;
    - (x) .12, for a service area; or
    - (xi) .05 for a municipal services district.
  - (b) Bonds or other obligations of a local district that are not general obligation bonds are not included in the limit stated in Subsection (4)(a).
- (5) A district may not be considered to be a municipal corporation for purposes of the debt limitation of the Utah Constitution, Article XIV, Section 4.
- (6) Bonds issued by an administrative or legal entity created under Title 11, Chapter 13, Interlocal Cooperation Act, may not be considered to be bonds of a local district that participates in the agreement creating the administrative or legal entity.

Amended by Chapter 352, 2015 General Session