

Part 1 General Provisions

17D-2-101 Title.

This chapter is known as the "Local Building Authority Act."

Enacted by Chapter 360, 2008 General Session

17D-2-102 Definitions.

As used in this chapter:

- (1) "Authority board" means the board of directors of a local building authority, as described in Section 17D-2-203.
- (2) "Bond" includes a bond, note, or other instrument issued under this chapter evidencing an indebtedness of a local building authority.
- (3) "Creating local entity" means the local entity that creates or created the local building authority.
- (4) "Governing body" means:
 - (a) for a county, city, or town, the legislative body of the county, city, or town;
 - (b) for a school district, the local school board for the school district;
 - (c) for a special district, the special district's board of trustees; and
 - (d) for a special service district, the special service district's governing body, as defined in Section 17D-1-102.
- (5) "Local building authority":
 - (a) means a nonprofit corporation that is:
 - (i) created as provided in Section 17D-2-201;
 - (ii) described in Section 17D-2-103; and
 - (iii) subject to and governed by the provisions of this chapter; and
 - (b) includes a nonprofit corporation created as a municipal building authority before May 5, 2008 under the law then in effect.
- (6) "Local entity" means a county, city, town, school district, special district, or special service district.
- (7) "Mortgage" means any instrument under which property may be encumbered as security for an obligation, including a mortgage, trust deed, indenture, pledge, assignment, security agreement, and financing statement.
- (8) "Project" means an improvement, facility, property, or appurtenance to property that a local entity is permitted under law to own or acquire, whether located inside or outside the local entity's boundary, including:
 - (a) a public building or other structure of any kind; and
 - (b) a joint or partial interest in the improvement, facility, property, or appurtenance to property.
- (9) "Project costs":
 - (a) means all costs incurred in the development of a project; and
 - (b) includes:
 - (i) organizational and incorporation fees, including filing, legal, and financial advisor fees;
 - (ii) the cost of a site for the project;
 - (iii) the cost of equipment and furnishings for the project;
 - (iv) the cost of planning and designing the project, including architectural, planning, engineering, legal, and fiscal advisor fees;
 - (v) contractor fees associated with the project;

- (vi) the cost of issuing local building authority bonds to finance the project, including printing costs, document preparation costs, filing fees, recording fees, legal and other professional fees, underwriting costs, bond discount costs, any premium on the bonds, and any fees required to be paid to retire outstanding bonds;
 - (vii) interest on local building authority bonds issued to finance the project;
 - (viii) carrying costs;
 - (ix) interest estimated to accrue on local building authority bonds during the period of construction of the project and for 12 months after;
 - (x) any amount the governing body finds necessary to establish one or more reserve funds;
 - (xi) any amount the governing body finds necessary to provide working capital for the project;
 - (xii) all costs of transferring title of the project to the creating local entity;
 - (xiii) all costs of dissolving the local building authority; and
 - (xiv) all other reasonable costs associated with the project.
- (10) "Special district" means the same as that term is defined in Section 17B-1-102.
- (11) "Special service district" means the same as that term is defined in Section 17D-1-102.

Amended by Chapter 15, 2023 General Session

17D-2-103 Status and authority of a local building authority -- Registration as a limited purpose entity.

- (1) A local building authority:
- (a) is a public entity and an instrumentality of the state, created by a local entity solely for the purpose of constructing, acquiring, improving, or extending, and financing the costs of, one or more projects on behalf of the local entity;
 - (b) shall be known as the "Local Building Authority of (name of the creating local entity)"; and
 - (c) may:
 - (i) as provided in this chapter, construct, acquire, improve, or extend, and finance the costs of, one or more projects on behalf of the creating local entity, in order to accomplish the public purposes for which the creating local entity exists; and
 - (ii) as provided in Part 5, Local Building Authority Bonds, issue and sell its bonds for the purpose of paying the costs of constructing, acquiring, improving, or extending a project.
- (2)
- (a) Each local building authority shall register and maintain the local building authority's registration as a limited purpose entity, in accordance with Section 67-1a-15.
 - (b) A local building authority that fails to comply with Subsection (2)(a) or Section 67-1a-15 is subject to enforcement by the state auditor, in accordance with Section 67-3-1.

Amended by Chapter 256, 2018 General Session

17D-2-104 Local building authority property exempt from taxation.

Property owned, held, or acquired by a local building authority, including all rent or other payment due under a lease agreement, is exempt from all taxation in the state.

Enacted by Chapter 360, 2008 General Session

17D-2-105 Action of a local entity's governing body or a local building authority's board of directors.

- (1) The governing body of a local entity or the authority board of a local building authority may take an action or proceeding under this chapter by resolution.
- (2) Except as specifically required under this chapter:
 - (a) an ordinance, resolution, or proceeding with respect to a transaction under this chapter is not necessary; and
 - (b) the publication of a resolution, proceeding, or notice relating to a transaction under this chapter is not necessary.
- (3) The governing body of a local entity or authority board of a local building authority may adopt a proceeding under this chapter on a single reading at a legally convened meeting of the governing body or authority board, as the case may be.
- (4) Except as specifically provided in this chapter, a resolution adopted or proceeding taken under this chapter is not subject to referendum.

Enacted by Chapter 360, 2008 General Session

17D-2-106 Publications in newspapers.

A publication made under this chapter may be made in a newspaper conforming to the terms of this chapter and in which legal notices may be published under the law, without regard to whether the newspaper is designated as the local entity's official journal or newspaper.

Enacted by Chapter 360, 2008 General Session

17D-2-107 Local building authority not subject to any state board, commission, or agency.

Neither a local building authority nor a project is subject to the jurisdiction of any board, commission, or agency of the state, including the Public Service Commission.

Enacted by Chapter 360, 2008 General Session

17D-2-108 Other statutory provisions.

- (1) This chapter is supplemental to existing laws relating to a local entity's acquisition, use, maintenance, management, or operation of a project.
- (2) Except as provided in this chapter, a local entity or local building authority that complies with the provisions of this chapter need not comply with any other statutory provision concerning the acquisition, construction, use, or maintenance of a project, including:
 - (a) a statute relating to public bidding; and
 - (b) Title 63G, Chapter 6a, Utah Procurement Code.
- (3) A local building authority is, to the same extent as if it were a special district, subject to and governed by:
 - (a) Title 17B, Chapter 1, Part 6, Fiscal Procedures for Special Districts;
 - (b) Title 17B, Chapter 1, Part 8, Special District Personnel Management; and
 - (c) Section 17B-1-108.

Amended by Chapter 15, 2023 General Session

17D-2-109 Construction of this chapter -- Conflicts with other provisions.

- (1) To enable a local building authority to perform its essential governmental functions on behalf of its creating local entity, this chapter shall be liberally construed.
- (2)

- (a) If a provision of this chapter conflicts with another statutory provision, the provision of this chapter controls.
- (b) Subsection (2)(a) applies notwithstanding Section 11-14-403.

Enacted by Chapter 360, 2008 General Session

17D-2-110 Validation of previous proceedings.

Each proceeding taken by a local entity before May 5, 2008 in connection with the creation and operation of a local building authority is validated, ratified, approved, and confirmed.

Enacted by Chapter 360, 2008 General Session