

17D-2-403 Provisions that a lease agreement may contain.

- (1) A lease agreement between a local building authority and its creating local entity may:
 - (a) provide that the creating local entity, as part of the lease payments for the leased property:
 - (i) pay all taxes and assessments levied against or on account of the leased property or rentals from it;
 - (ii) maintain insurance on the leased property for the benefit of the local building authority and the holders of the local building authority's bonds; and
 - (iii) assume all responsibility for any repair, replacement, alteration, or improvement to the leased property during the term of the lease agreement; and
 - (b) authorize the local entity to sublease all or specified portions of a project to:
 - (i) the state;
 - (ii) another local entity; or
 - (iii) a private party, including a nonprofit corporation, if the local building authority or local entity:
 - (A) intends to own the project throughout the useful life of the project; and
 - (B) determines that the local building authority or local entity's ownership of the project furthers a legitimate public purpose.
- (2) A local entity that subleases some or all of a project under Subsection (1)(b) continues to be responsible for lease payments due under the lease agreement with the local building authority.

Enacted by Chapter 360, 2008 General Session