

1 **PUBLIC REVIEW OF MUNICIPAL**
2 **APPROPRIATIONS AND RESOURCES**

3 2002 GENERAL SESSION
4 STATE OF UTAH

5 **Sponsor: Roger E. Barrus**

6 **This act modifies the Utah Municipal Code by amending provisions relating to municipal**
7 **appropriations. The act sets standards and requires studies and hearings for certain**
8 **appropriations. The act makes technical changes.**

9 This act affects sections of Utah Code Annotated 1953 as follows:

10 AMENDS:

11 **10-8-2**, as last amended by Chapter 96, Laws of Utah 2001

12 *Be it enacted by the Legislature of the state of Utah:*

13 Section 1. Section **10-8-2** is amended to read:

14 **10-8-2. Appropriations -- Acquisition and disposal of property -- Corporate purpose.**

15 (1) A [city] municipal legislative body may:

16 (a) appropriate money for corporate purposes only;

17 (b) provide for payment of debts and expenses of the corporation;

18 (c) purchase, receive, hold, sell, lease, convey, and dispose of real and personal property
19 for the benefit of the [city] municipality, whether the property is within or without the [city's]
20 municipality's corporate boundaries;

21 (d) improve, protect, and do any other thing in relation to this property that an individual
22 could do; and

23 (e) subject to Subsection (2) and after first holding a public hearing, authorize [city]
24 municipal services or other nonmonetary [~~property or~~] assistance to be [~~given~~] provided to or
25 waive fees required to be paid by a nonprofit entity, whether or not the [city] municipality receives
26 consideration in return.

27 (2) Services or assistance provided pursuant to Subsection (1)(e) is not subject to the



28 provisions of Subsection (3). The total amount of services or other nonmonetary assistance
29 provided or fees waived under Subsection (1)(e) in any given fiscal year may not exceed 1% of the
30 municipality's budget for that fiscal year.

31 ~~[(2)]~~ (3) It is considered a corporate purpose to appropriate money for any purpose that,
32 in the judgment of the [city] municipal legislative body, provides for the safety, health, prosperity,
33 moral well-being, peace, order, comfort, or convenience of the inhabitants of the [city:]
34 municipality subject to the following:

35 (a) The net value received for any money appropriated shall be measured on a
36 project-by-project basis over the life of the project.

37 (b) The criteria for a determination under this Subsection (3) shall be established by the
38 municipality's legislative body. A determination of value received, made by the municipality's
39 legislative body, shall be presumed valid unless it can be shown that the determination was
40 arbitrary, capricious, or illegal.

41 (c) The municipality may consider intangible benefits received by the municipality in
42 determining net value received.

43 (d) Prior to the municipal legislative body making any decision to appropriate any funds
44 for a corporate purpose under this section, a public hearing shall be held. Notice of the hearing
45 shall be published in a newspaper of general circulation at least 14 days prior to the date of the
46 hearing, or, if there is no newspaper of general circulation, by posting notice in at least three
47 conspicuous places within the municipality for the same time period.

48 (e) A study shall be performed before notice of the public hearing is given, and shall be
49 made available at the municipality, for review by interested parties, at least 14 days immediately
50 prior to the public hearing, setting forth, an analysis and demonstrating the purpose for the
51 appropriation. In making the study, the following factors shall be considered:

52 (i) what identified benefit the municipality will receive in return for any money or
53 resources appropriated;

54 (ii) the municipality's purpose for the appropriation, including an analysis of the way the
55 appropriation will be used to enhance the safety, health, prosperity, moral well-being, peace, order,
56 comfort, or convenience of the inhabitants of the municipality; and

57 (iii) whether the appropriation is necessary and appropriate to accomplish the reasonable
58 goals and objectives of the municipality in the area of economic development, job creation,

59 affordable housing, blight elimination, job preservation, the preservation of historic structures and
60 property, and any other public purpose.

61 (f) An appeal may be taken from a final decision of the municipal legislative body, to make
62 an appropriation. The appeal shall be filed within 30 days after the date of that decision, to the
63 district court. Any appeal shall be based on the record of the proceedings before the legislative
64 body. A decision of the municipal legislative body shall be presumed to be valid unless the
65 appealing party shows that the decision was arbitrary, capricious, or illegal.

66 (g) The provisions of this Subsection (3) apply only to those appropriations made after
67 May 6, 2002.

67a h (h) THIS SECTION SHALL ONLY APPLY TO APPROPRIATIONS NOT OTHERWISE
67b APPROVED PURSUANT TO TITLE 10, CHAPTER 5, UNIFORM FISCAL PROCEDURES ACT FOR UTAH
67c TOWNS, OR TITLE 10, CHAPTER 6, UNIFORM FISCAL PROCEDURES ACT FOR UTAH CITIES. h

Legislative Review Note
as of 1-30-02 4:40 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel