

**PUBLIC REVIEW OF MUNICIPAL
APPROPRIATIONS AND RESOURCES**

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: Roger E. Barrus

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

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

AMENDS:

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

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

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

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

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

(a) appropriate money for corporate purposes only;

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

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

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

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

(2) Services or assistance provided pursuant to Subsection (1)(e) is not subject to the provisions of Subsection (3). The total amount of services or other nonmonetary assistance provided or fees waived under Subsection (1)(e) in any given fiscal year may not exceed 1% of the

municipality's budget for that fiscal year.

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

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

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

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

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

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

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

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

(iii) whether the appropriation is necessary and appropriate to accomplish the reasonable

goals and objectives of the municipality in the area of economic development, job creation, affordable housing, blight elimination, job preservation, the preservation of historic structures and property, and any other public purpose.

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

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

(h) This section shall only apply to appropriations not otherwise approved pursuant to Title 10, Chapter 5, Uniform Fiscal Procedures Act for Utah Towns, or Title 10, Chapter 6, Uniform Fiscal Procedures Act for Utah Cities.