

**JOINT RESOLUTION - DEBT LIMITS FOR
POLITICAL SUBDIVISIONS**

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: Wayne A. Harper

This joint resolution of the Legislature proposes to amend the Utah Constitution to modify language relating to an additional debt limit for certain municipalities. The joint resolution clarifies the measurement of the debt limit for counties and how the value of taxable property is to be determined for purposes of the county debt limit. The joint resolution makes technical changes, directs the lieutenant governor to submit this proposal to voters, and provides an effective date.

This resolution proposes to change the Utah Constitution as follows:

AMENDS:

ARTICLE XIV, SECTION 3

ARTICLE XIV, SECTION 4

Be it resolved by the Legislature of the state of Utah, two-thirds of all members elected to each of the two houses voting in favor thereof:

Section 1. It is proposed to amend Utah Constitution Article XIV, Section 3, to read:

Article XIV, Section 3. [Certain debt of counties, cities, towns, school districts, and other political subdivisions not to exceed taxes -- Exception -- Debt may be incurred only for specified purposes.]

(1) No debt issued by a county, city, town, school district, or other political subdivision of the State and directly payable from and secured by ad valorem property taxes levied by the issuer of the debt may be created in excess of the taxes for the current year unless the proposition to create the debt has been submitted to a vote of qualified voters at the time and in the manner provided by statute, and a majority of those voting thereon has voted in favor of incurring the debt.

(2) No part of the indebtedness allowed in this section may be incurred for other than strictly county, city, town, school district, or other political subdivision purposes respectively.

Section 2. It is proposed to amend Utah Constitution Article XIV, Section 4, to read:

Article XIV, Section 4. [Limit of indebtedness of counties, cities, towns, and school districts -- Larger indebtedness may be allowed.]

~~[When]~~ (1) (a) If authorized to create indebtedness as provided in Section 3 of this Article, no county ~~[shall]~~ may become indebted to an amount, including existing indebtedness, exceeding two per centum of the value of taxable property in the county.

(b) No city, town, school district, or other municipal corporation, ~~[shall]~~ may become indebted to an amount, including existing indebtedness, exceeding four per centum of the value of the taxable property therein~~[-]~~.

(2) For purposes of Subsection (1), the value [to] of taxable property shall be ascertained by the last assessment for State and County purposes[-] previous to the incurring of [such] the indebtedness[-], except that in incorporated cities the assessment shall be taken from the last assessment for city purposes[-; provided, that no part of the indebtedness allowed in this section shall be incurred for other than strictly county, city, town or school district purposes; provided further, that any].

(3) A city of the first [and] or second class [when], if authorized as provided in Section [three] 3 of this [article] Article, may be allowed to incur a larger indebtedness, not to exceed four per centum, and any other city [of the third class;] or town, not to exceed eight per centum additional, for supplying such city or town with water, artificial lights or sewers, [when] if the works for supplying [such] the water, light, and sewers[-; shall be] are owned and controlled by the municipality.

Section 3. Submittal to voters.

The lieutenant governor is directed to submit this proposed amendment to the voters of the state at the next regular general election in the manner provided by law.

Section 4. Effective date.

If the amendment proposed by this joint resolution is approved by a majority of those voting on it at the next regular general election, the amendment shall take effect on January 1, 2003.