

1                                   **LOCAL GOVERNMENT FEASIBILITY AND**  
2                                   **ECONOMIC IMPACT STUDIES**

3                                   2004 GENERAL SESSION

4                                   STATE OF UTAH

5                                   **Sponsor: Scott K. Jenkins**

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7   **LONG TITLE**

8   **General Description:**

9           This bill modifies the provisions related to municipalities and counties to require a  
10 study before the municipality or county may expend monies on facilities or services that  
11 are not core functions.

12 **Highlighted Provisions:**

13       This bill:

- 14       ▶ defines terms;
- 15       ▶ requires a study before the legislative body of a municipality or county may approve  
16 the expenditure of monies for facilities or services that are not core functions of the  
17 municipality or county;
- 18       ▶ requires the hiring of a feasibility consultant to conduct the study;
- 19       ▶ establishes what is to be included in a study; and
- 20       ▶ provides for a hearing on a study.

21 **Monies Appropriated in this Bill:**

22       None

23 **Other Special Clauses:**

24       None

25 **Utah Code Sections Affected:**

26 ENACTS:

27       **10-1-119**, Utah Code Annotated 1953



28 17-15-28, Utah Code Annotated 1953

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

31 Section 1. Section **10-1-119** is enacted to read:

32 **10-1-119. Feasibility and economic impact study of noncore facilities or services.**

33 (1) As used in this section:

34 (a) (i) "Core function of a municipality" means an activity, undertaking, or operation of  
35 a municipality that:

36 (A) is of such a unique nature that it can only be performed by a government agency; or

37 (B) is essential to the core of governmental activity.

38 (ii) "Core function of a municipality" does not include a proprietary function such as a  
39 function that is normally performed by a private person including operating:

40 (A) a golf course;

41 (B) an athletic field;

42 (C) a gymnasium;

43 (D) a swimming pool;

44 (E) a hospital;

45 (F) a pharmacy;

46 (G) an ambulance service; or

47 (H) garbage and refuse collection services.

48 (b) "Facility" means any building, structure, or other improvement on real property.

49 (c) "Feasibility consultant" means a person with expertise in the processes and  
50 economics of local government.

51 (2) The legislative body of a municipality shall obtain a feasibility and economic  
52 impact study meeting the requirements of Subsection (3) before the legislative body of a  
53 municipality may approve the expenditure of monies for:

54 (a) the construction, acquisition, lease, or operation of a facility that:

55 (i) the municipality has not constructed, acquired, leased, or operated before May 3,  
56 2004; and

57 (ii) will be used for a purpose other than a core function of the municipality; or

58 (b) the provision of services;

59 (i) that the municipality has not provided before May 3, 2004; and  
60 (ii) that serve a purpose other than a core function of the municipality.  
61 (3) (a) A municipality shall hire a feasibility consultant to conduct a feasibility and  
62 economic impact study required by Subsection (2) and require the feasibility consultant to:  
63 (i) complete the feasibility study in accordance with this section;  
64 (ii) submit to the municipality's legislative body by no later than 180 days from the date  
65 the feasibility consultant is hired to conduct the feasibility study:  
66 (A) the full written results of the feasibility study; and  
67 (B) a summary of the results that is no longer than one page in length; and  
68 (iii) attend a public hearing described in Subsection (4) to:  
69 (A) present the feasibility study results; and  
70 (B) respond to questions from the public.  
71 (b) (i) A feasibility and economic impact study required by Subsection (2) for a facility  
72 shall include:  
73 (A) for the first five years that the municipality will operate a facility described in  
74 Subsection (2) a projection of:  
75 (I) revenue; and  
76 (II) expenses;  
77 (B) whether the facility described in Subsection (2) meets a need that cannot be met by  
78 facilities operated by private persons;  
79 (C) whether one or more facilities similar to the facility described in Subsection (2) are  
80 operated by private persons within 15 miles of the facility described in Subsection (2); and  
81 (D) if the facility is operated by the municipality, what economic impacts will be  
82 experienced by:  
83 (I) the facilities operated by private persons described in Subsection (3)(b)(i)(C); and  
84 (II) the general market in which the facility described in Subsection (2) will operate.  
85 (ii) A feasibility and economic impact study required under Subsection (2) for the  
86 provision of services shall include:  
87 (A) for the first five years that the municipality will provide the services described in  
88 Subsection (2) projections of:  
89 (I) revenue; and

90 (II) expenses;

91 (B) whether provision of the services described in Subsection (2) meets a need that  
92 cannot be met by services provided by private persons;

93 (C) whether one or more private persons provide services similar to the services  
94 described in Subsection (2) within 15 miles of where the municipality would provide the  
95 services described in Subsection (2); and

96 (D) if the municipality provides the services described in Subsection (2), what  
97 economic impacts will be experienced by:

98 (I) the private persons providing services described in Subsection (3)(b)(ii)(C); and

99 (II) the general market in which the services described in Subsection (2) will be  
100 provided by the municipality.

101 (4) (a) Upon completion of a feasibility and economic impact study meeting the  
102 requirements of Subsection (3), the municipal legislative body shall at its next regular meeting  
103 schedule at least one public hearing to be held:

104 (i) (A) not less than 20 days from the day on which the meeting at which the public  
105 hearing is scheduled is held; and

106 (B) not more than 60 days from the day on which the meeting at which the public  
107 hearing is scheduled is held; and

108 (ii) for the purpose of allowing the public to:

109 (A) become informed about the feasibility and economic impact study results;

110 (B) ask questions of the municipal legislative body about the results of the feasibility  
111 and economic impact study; and

112 (C) ask questions of the feasibility consultant.

113 (b) (i) Except as provided in Subsection (4)(b)(ii), the municipality shall publish notice  
114 of the public hearings required under this section at least once a week for three consecutive  
115 weeks in a newspaper of general circulation in the municipality.

116 (ii) The last publication of notice required under Subsection (4)(b)(i) shall be at least  
117 three days before the first public hearing required under Subsection (4)(a).

118 (iii) (A) If there is no newspaper of general circulation in the municipality, for each  
119 1,000 residents, the municipality shall post at least one notice of the hearings in a conspicuous  
120 place within the municipality that is likely to give notice of the hearings to the greatest number

121 of residents of the municipality.

122 (B) The municipality shall post the notices at least seven days before the public hearing  
123 required under Subsection (4)(a) is held.

124 Section 2. Section **17-15-28** is enacted to read:

125 **17-15-28. Feasibility and economic impact study of noncore facilities or services.**

126 (1) As used in this section:

127 (a) (i) "Core function of a county" means an activity, undertaking, or operation of a  
128 county that:

129 (A) is of such a unique nature that it can only be performed by a government agency; or

130 (B) is essential to the core of governmental activity.

131 (ii) "Core function of a county" does not include a proprietary function such as a  
132 function that is normally performed by a private person including operating:

133 (A) a golf course;

134 (B) an athletic field;

135 (C) a gymnasium;

136 (D) a swimming pool;

137 (E) a hospital;

138 (F) a pharmacy;

139 (G) an ambulance service; or

140 (H) garbage and refuse collection services.

141 (b) "Facility" means any building, structure, or other improvement on real property.

142 (c) "Feasibility consultant" means a person with expertise in the processes and  
143 economics of local government.

144 (2) The legislative body of a county shall obtain a feasibility and economic impact  
145 study meeting the requirements of Subsection (3) before the legislative body of a county may  
146 approve the expenditure of monies for:

147 (a) the construction, acquisition, lease, or operation of a facility that:

148 (i) the county has not constructed, acquired, leased, or operated before May 3, 2004;

149 and

150 (ii) will be used for a purpose other than a core function of the county; or

151 (b) the provision of services:

152 (i) that the county has not provided before May 3, 2004; and  
153 (ii) that serve a purpose other than a core function of the county.  
154 (3) (a) A county shall hire a feasibility consultant to conduct a feasibility and economic  
155 impact study required by Subsection (2) and require the feasibility consultant to:  
156 (i) complete the feasibility study in accordance with this section;  
157 (ii) submit to the county's legislative body by no later than 180 days from the date the  
158 feasibility consultant is hired to conduct the feasibility study:  
159 (A) the full written results of the feasibility study; and  
160 (B) a summary of the results that is no longer than one page in length; and  
161 (iii) attend a public hearing described in Subsection (4) to:  
162 (A) present the feasibility study results; and  
163 (B) respond to questions from the public.  
164 (b) (i) A feasibility and economic impact study required by Subsection (2) for a facility  
165 shall include:  
166 (A) for the first five years that the county will operate a facility described in Subsection  
167 (2) a projection of:  
168 (I) revenue; and  
169 (II) expenses;  
170 (B) whether the facility described in Subsection (2) meets a need that cannot be met by  
171 facilities operated by private persons;  
172 (C) whether one or more facilities similar to the facility described in Subsection (2) are  
173 operated by private persons within 15 miles of the facility described in Subsection (2); and  
174 (D) if the facility is operated by the county, what economic impacts will be  
175 experienced by:  
176 (I) the facilities operated by private persons described in Subsection (3)(b)(i)(C); and  
177 (II) the general market in which the facility described in Subsection (2) will operate.  
178 (ii) A feasibility and economic impact study required under Subsection (2) for the  
179 provision of services shall include:  
180 (A) for the first five years that the county will provide the services described in  
181 Subsection (2) projections of:  
182 (I) revenue; and

183           (II) expenses;  
184           (B) whether provision of the services described in Subsection (2) meets a need that  
185 cannot be met by services provided by private persons;  
186           (C) whether one or more private persons provide services similar to the services  
187 described in Subsection (2) within 15 miles of where the county would provide the services  
188 described in Subsection (2); and  
189           (D) if the county provides the services described in Subsection (2), what economic  
190 impacts will be experienced by:  
191           (I) the private persons providing services described in Subsection (3)(b)(ii)(C); and  
192           (II) the general market in which the services described in Subsection (2) will be  
193 provided by the county.  
194           (4) (a) Upon completion of a feasibility and economic impact study meeting the  
195 requirements of Subsection (3), the county legislative body shall at its next regular meeting  
196 schedule at least one public hearing to be held:  
197           (i) (A) not less than 20 days from the day on which the meeting at which the public  
198 hearing is scheduled is held; and  
199           (B) not more than 60 days from the day on which the meeting at which the public  
200 hearing is scheduled is held; and  
201           (ii) for the purpose of allowing the public to:  
202           (A) become informed about the feasibility and economic impact study results;  
203           (B) ask questions of the county legislative body about the results of the feasibility and  
204 economic impact study; and  
205           (C) ask questions of the feasibility consultant.  
206           (b) (i) Except as provided in Subsection (4)(b)(ii), the county shall publish notice of the  
207 public hearings required under this section at least once a week for three consecutive weeks in  
208 a newspaper of general circulation in the county.  
209           (ii) The last publication of notice required under Subsection (4)(b)(i) shall be at least  
210 three days before the first public hearing required under Subsection (4)(a).  
211           (iii) (A) If there is no newspaper of general circulation in the county, for each 1,000  
212 residents, the county shall post at least one notice of the hearings in a conspicuous place within  
213 the county that is likely to give notice of the hearings to the greatest number of residents of the

214 county.

215 (B) The county shall post the notices at least seven days before the public hearing

216 required under Subsection (4)(a) is held.

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**Legislative Review Note**

**as of 2-11-04 10:11 AM**

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

**Office of Legislative Research and General Counsel**



**State Impact**

Passage of this bill could increase costs to local governments. Overall impact would be dependent on the number of fiscal impact studies necessary in any given year.

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**Individual and Business Impact**

No fiscal impact.

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**Office of the Legislative Fiscal Analyst**