



House of Representatives *State of Utah*

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NOTICE OF BILL RETURNED TO RULES COMMITTEE

February 21, 2007

Mr. Speaker:

The Government Operations Committee has returned **H.B. 251**, AUDITING OF LEASES RELATED TO REVENUE BONDS, by Representative N. Hansen, to the Rules Committee without recommendation with the following amendments:

4. *Page 1, Line 24:*

24 protect its financial interests;
▶ exempts international airports from the requirement for an
independent assessment;

4. *Page 2, Lines 32 through 33:*

32 in accordance with accounting principles adopted by the
 {~~Federal~~} Financial Accounting
33 Standards Board; and

4. *Page 2, Line 51 through Page 3, Line 65:*

51 (1) (a) Beginning July 1, 2007, and except as provided under
Subsection (1)(b). any contract or agreement between a local political
52 subdivision and a private entity shall include provisions that allow the local
political
53 subdivision to:
54 {~~a~~} (i) independently assess, as provided under Subsection (2),
the ability of the private
55 entity to meet its financial obligations to the local political subdivision if the
contract or
56 agreement involves lease payments, the revenue from which is pledged for the
payment of

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57 principal or interest on a revenue bond; and
58 {~~(b)~~} ~~(ii)~~ rescind or amend the contract or agreement if:
59 {~~(i)~~} ~~(A)~~ the independent assessment performed under Subsection
60 (1)(a) ~~(i)~~ produces a finding
61 that the private entity is unable to meet its lease payments to the local political
62 subdivision; and
63 {~~(ii)~~} ~~(B)~~ based on the assessment performed under Subsection
64 (1)(a) ~~(i)~~, the local political
65 subdivision determines that the rescission or amendment is necessary to protect
66 the financial
67 interests of the local political subdivision. =
68 **(b) A contract or agreement that generates revenue that is payable in**
69 **relation to an international airport, is exempt from the requirements**
70 **of this section.**
71 (2) The local political subdivision shall ensure the independent assessment
72 under
73 Subsection (1)(a) ~~(i)~~ is conducted:

4. *Page 3, Lines 71 through 72:*

71 with generally accepted accounting principles adopted by the
72 {~~Federal~~} ~~Financial~~ Accounting Standards
73 Board.

Respectfully,

Glenn A. Donnelson
Committee Chair

Voting: --

14 HB0251.HC1.WPD 2/21/07 7:55 am benchristensen/BNC ENW/BNC

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