

LOCAL DISTRICT TAXING AUTHORITY

2009 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Curtis S. Bramble

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies the taxing authority of local districts.

Highlighted Provisions:

This bill:

▶ prohibits certain local districts that do not have elected boards from levying and collecting a property tax unless:

- the revenue from the tax is already pledged for district obligations; or
- the tax is approved by district voters or by the county and each municipality

with territory included within the local district.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

17B-1-1001, as enacted by Laws of Utah 2007, Chapter 329

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

Section 1. Section **17B-1-1001** is amended to read:

17B-1-1001. Provisions applicable to property tax levy.



28 (1) Each local district that levies and collects property taxes shall levy and collect them
29 according to the provisions of Title 59, Chapter 2, Property Tax Act.

30 (2) (a) As used in this Subsection (2), "elected board" means a local district board of
31 trustees all of whose members are elected to the board by district voters.

32 (b) Except as provided in Subsections (2)(c) and (d), a local district that does not have
33 an elected board may not levy or collect a property tax during any tax year beginning on or
34 after January 1, 2010.

35 (c) Notwithstanding Subsection (2)(b), a local district that does not have an elected
36 board may levy and collect a property tax during a tax year beginning on or after January 1,
37 2010:

38 (i) if and to the extent that revenue from the property tax was pledged before January 1,
39 2010 to pay for bonds or other obligations of the district; or

40 (ii) if the property tax levy has previously been approved by:

41 (A) district voters at an election held for that purpose; or

42 (B) the legislative body of:

43 (I) each municipality partially or completely included within the boundary of the
44 specified local district; and

45 (II) the county in which the specified local district is located, if the county has some or
46 all of its unincorporated area included within the boundary of the specified local district.

47 (d) Subsection (2)(b) does not apply to a water conservancy district located in ten or
48 more counties.

Legislative Review Note
as of 1-16-09 3:14 PM

Office of Legislative Research and General Counsel

S.B. 135 - Local District Taxing Authority

Fiscal Note

2009 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Local taxing entities that may be affected include cemetery maintenance districts, drainage districts, fire protection districts, improvement districts, metropolitan water districts, mosquito abatement districts, public transit districts, service areas, and water conservancy districts. If these local taxing entities change their board structure to be an elected board, then individuals, businesses, and local taxing entities are unaffected. If certain local taxing entities do not change their board structure to be an elected board, then some individuals and businesses will likely experience a tax decrease and/or will not experience tax increases. In this case, certain local taxing entities would be unable to raise property tax revenue. Enactment of this legislation may increase borrowing costs for local taxing entities.
