

OVERSIGHT OF BONDING BY COUNTIES

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jerry W. Stevenson

House Sponsor: Brad R. Wilson

LONG TITLE

General Description:

This bill amends a county legislative body's authority to create a board of directors for certain types of facilities and the board's authority.

Highlighted Provisions:

This bill:

- amends a county legislative body's authority to create a board of directors for certain types of facilities;
amends the board's authority; and
makes technical corrections.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

17-12-4, as last amended by Laws of Utah 1993, Chapter 227

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

Section 1. Section 17-12-4 is amended to read:

17-12-4. Bond issue for auditoriums, etc., and "convention complex" facilities -- Board of directors -- Use of revenues from facilities -- Rights of bondholders.

[Any] (1) (a) A county legislative body adopting proceedings authorizing the issuance

30 of county bonds for the purpose of acquiring, improving, extending, furnishing, and equipping  
31 auditoriums, sports arenas, stadiums, convention centers, and all properties and facilities  
32 ordinarily forming part of a so-called "convention complex," or for any part or combination of  
33 the foregoing~~[-, shall in the proceedings authorizing such bonds: (1) Provide]~~ may, by  
34 resolution, provide for the creation of a board of directors which, so long as any of the bonds  
35 remain outstanding either in original or refunded form~~[-, shall]~~ may:

36 (i) have complete management and control of the facilities acquired with the proceeds  
37 of the bonds~~[- Such board]; or~~

38 (ii) act as an advisory board to the county executive and legislative body regarding the  
39 management and operation of a property or facility described in Subsection (1)(a).

40 (b) (i) The board of directors described in Subsection (1)(a) shall have the number of  
41 members, possessing such qualifications and selected for such terms, and shall operate  
42 pursuant to such rules and regulations as [may be provided in such proceedings:] adopted by  
43 the county legislative body.

44 (ii) The members of ~~[such board]~~ the board of directors described in Subsection (1)(a)  
45 shall serve without compensation except for reimbursement of expenses actually incurred in  
46 the performance of their duties.

47 (iii) After the appointment and organization of ~~[any]~~ the board of directors, all  
48 vacancies thereafter occurring, whether by expiration of term or otherwise, shall be filled by  
49 majority vote of the remaining members of the board. ~~[Subject to the provisions of such~~  
50 ~~proceedings;]~~

51 (iv) Subject to provisions adopted by the county legislative body, the members of the  
52 board of directors ~~[shall]~~ may have the powers and duties ordinarily enjoyed by the directors of  
53 a private corporation operating similar facilities.

54 (2) ~~[Provide]~~ A county legislative body that adopts proceedings for the purpose of and  
55 as described in Subsection (1)(a) shall provide that all revenues of every nature derived from  
56 the operation of the facilities so acquired with bond proceeds and not expended in the  
57 reasonable and proper costs of maintaining and operating the facilities, including the making of

58 necessary repairs and replacements, be pledged to and utilized for the payment of principal of  
59 and interest on the bonds and, if so provided, the creation of a reserve for such purpose.

60       (3) This act is adopted for the purpose of eliminating or reducing so far as possible the  
61 ad valorem taxes necessary to be levied for the payment of such bonds and for the purpose of  
62 improving the security of such bonds, and accordingly the holders of the bonds from time to  
63 time shall have a vested and enforceable contract right in the provisions of this act and in the  
64 provisions of the bond proceedings adopted pursuant hereto.