

SB0078S01 compared with SB0078

~~{deleted text}~~ shows text that was in SB0078 but was deleted in SB0078S01.

inserted text shows text that was not in SB0078 but was inserted into SB0078S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will not be completely accurate. Therefore, you need to read the actual bill. This automatically generated document could experience abnormalities caused by: limitations of the compare program; bad input data; the timing of the compare; and other potential causes.

Senator John L. Valentine proposes the following substitute bill:

WATER CONSERVANCY DISTRICT AMENDMENTS

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: John L. Valentine

House Sponsor: _____

LONG TITLE

General Description:

This bill ~~{requires a qualifying water conservancy district to repeal a property tax}~~ directs the Revenue and Taxation Interim Committee to conduct a study of the proper allocation of water costs to the rate structure charged for water customers.

Highlighted Provisions:

This bill:

▶ ~~{defines terms;~~

→ ~~requires, with certain exceptions, a qualifying water conservancy district to repeal a property tax;~~

→ ~~prohibits a qualifying water conservancy district from making new pledges of revenues collected from a property tax as a security for a bond, note, or other evidence of indebtedness issued;~~

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- prohibits a qualifying water conservancy district from increasing, extending the term for repayment, or refinancing an existing bond, note, or other evidence of indebtedness that pledges a property tax revenue as security;
- requires a qualifying water conservancy district to notify the State Tax Commission when the qualifying water conservancy repeals a property tax; and
- makes technical corrections; directs the Revenue and Taxation Interim Committee in 2012 to study the proper allocation of water costs to the rate structure charged for water customers.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

~~{Utah Code Sections Affected:~~

AMENDS:

- ~~17B-2a-1006~~, as last amended by Laws of Utah 2010, Chapter 159; Uncodified

Material Affected:

ENACTS UNCODIFIED MATERIAL

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

Section 1. ~~{Section 17B-2a-1006 is amended to read:~~

- ~~17B-2a-1006. Limits on~~ Revenue and Taxation Interim Committee study of issues related to the financing of water services.

In 2012, the Revenue and Taxation Interim Committee shall conduct a study of the proper allocation of water costs to the rate structure charged for water customers, including a study of:

- (1) the proper allocation of repair and replacement costs for infrastructure by a water conservancy district;
- (2) the proper method of financing new and related water infrastructure;
- (3) the proper allocation of funds to comply with applicable federal mitigation requirements;
- (4) the impact on development by impact fees or hook-up fees charged by a water

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conservancy district:

(5) the advisability of establishing a sinking fund to fund replacement costs or building new projects and infrastructure;

(6) methods to effectively charge for the delivery and acquisition of water;

(7) the efficacy of or need for various water conservancy district ~~property tax levy --~~

Additional levy -- Levy repealed:

—— (1) As used in this section:

—— (a) "Qualifying water conservancy district" means a water conservancy district that has a service area located in a county of the first or second class, as defined in Section 17-50-501;

—— (b) "Qualifying water conservancy district" does not include a water conservancy district with a service area located in a county of the first or second class, as defined in Section 17-50-501, if the service area also includes a county of the third, fourth, fifth, or sixth class;

—— ~~[(1)] (2) Except as provided in [Subsection (2)] Subsections (3) and (5), and subject to Subsection ~~[(3)] (4) and Section 17B-2a-1009, the property tax levy of a water conservancy district for all purposes may not exceed:~~~~

—— (a) .0001 per dollar of taxable value of taxable property in the district, before the earliest of:

—— (i) the planning or design of works;

—— (ii) the acquisition of the site or right-of-way on which the works will be constructed;

or

—— (iii) the commencement of construction of the works; and

—— (b) .0002 per dollar of taxable value of taxable property in the district, after the earliest of the events listed in Subsection ~~[(1)] (2)(a):~~

—— ~~[(2)] (3) Subject to Subsection ~~[(3)] (4) and Section 17B-2a-1009:~~~~

—— (a) in a district that contains land located within the Lower Colorado River Basin, the levy after the earliest of the events listed in Subsection ~~[(1)] (2)(a) may be increased to a maximum of .001 per dollar of taxable value of taxable property in the district; and~~

—— (b) in a district to be served under a contract, water appropriation, water allotment, or otherwise by water apportioned by the Colorado River Compact to the Upper Basin, the levy after the earliest of the events listed in Subsection ~~[(1)] (2)(a) may be increased to a maximum of .0004 per dollar of taxable value of taxable property;~~

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~~— (3) (4) A water conservancy district may impose an additional property tax levy, not to exceed .0001 per dollar of taxable value of taxable property in the district, if the additional levy is necessary to provide adequate funds to pay maturing bonds or other debts of the district.~~

~~— (5) If, on May 8, 2012, a water conservancy district is a qualifying water conservancy district, the water conservancy district:~~

~~— (a) shall, except as provided in Subsection (6)(b), repeal its property tax under this section on or before January 1, 2013, and in accordance with Subsection (9)(a); and~~

~~— (b) may not pledge property tax revenues under this section as a security for a bond, note, or other evidence of indebtedness if that bond, note, or other evidence of indebtedness is issued on or after May 8, 2012.~~

~~— (6) If a bond, note, or other evidence of indebtedness issued on or before May 7, 2012, is secured by revenues collected from a property tax under this section, a qualifying water conservancy district described in Subsection (5)(a) that pledges the revenues collected from a property tax under this section as a security for the bond, note, or other evidence of indebtedness:~~

~~— (a) may not:~~

~~— (i) increase the face value of the bond, note, or other evidence of indebtedness;~~

~~— (ii) extend the term for repayment of the bond, note, or other evidence of indebtedness;~~

~~— (iii) refinance the bond, note, or other evidence of indebtedness if refinancing the bond, note, or other evidence of indebtedness extends the term for repayment of the bond, note, or other evidence of indebtedness; or~~

~~— (iv) take an action with respect to the bond, note, or other evidence of indebtedness similar to Subsections (6)(a)(i) through (iii);~~

~~— (b) may only impose a property tax levy under this section sufficient to repay debt service of the bonds, notes, or other evidences of indebtedness; and~~

~~— (c) shall repeal the property tax under this section when the bonds, notes, or other evidences of indebtedness issued on or before May 7, 2012, that are secured by revenues collected from a property tax under this section are retired:~~

~~— (i) in accordance with Subsection (9)(b); and~~

~~— (ii) on or before January 1 of the year immediately following when the bonds, notes, or other evidences of indebtedness described in Subsection (6)(c)(i) are retired.~~

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~~—— (7) If, on May 8, 2012, a water conservancy district is not a qualifying water conservancy district, but becomes a qualifying water conservancy district after May 8, 2012, the water conservancy district:~~

~~—— (a) shall, except as provided in Subsection (8)(b) and in accordance with Subsection (9)(b), repeal its property tax under this section on or before January 1 of the year immediately following the year that the water conservancy district becomes a qualifying water conservancy district; and~~

~~—— (b) may not pledge property tax revenues under this section as a security for a bond, note, or other evidence of indebtedness if that bond, note, or other evidence of indebtedness is issued on or after the effective day of a county classification described in Section 17-50-502 that creates the qualifying water conservancy district.~~

~~—— (8) If a bond, note, or other evidence of indebtedness issued on or before the effective day described in Subsection (7)(b) is secured by revenues collected from a property tax under this section, a qualifying water conservancy district described in Subsection (7)(a) that pledges the revenues collected from a property tax under this section as a security for the bond, note, or other evidence of indebtedness:~~

~~—— (a) may not:~~

~~—— (i) increase the face value of the bond, note, or other evidence of indebtedness;~~

~~—— (ii) extend the term for repayment of the bond, note, or other evidence of indebtedness;~~

~~—— (iii) refinance the bond, note, or other evidence of indebtedness if refinancing the bond, note, or other evidence of indebtedness extends the term for repayment of the bond, note, or other evidence of indebtedness; or~~

~~—— (iv) take an action with respect to the bond, note, or other evidence of indebtedness similar to Subsections (8)(a)(i) through (iii);~~

~~—— (b) may only impose a property tax levy under this section sufficient to repay debt service of the bonds, notes, or other evidences of indebtedness; and~~

~~—— (c) shall repeal the property tax under this section when the bonds, notes, or other evidences of indebtedness issued on or before the date described in Subsection (7)(b) that are secured by revenues collected from a property tax under this section are retired:~~

~~—— (i) in accordance with Subsection (9)(d); and~~

~~—— (ii) on or before January 1 of the year immediately following when the bonds, notes, or~~

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~~other evidences of indebtedness described in Subsection (8)(c)(i) are retired:~~

~~—— (9) A qualifying water conservancy district:~~

~~—— (a) required by Subsection (5)(a) to repeal a property tax under this section shall, notify the State Tax Commission on or before July 1, 2012, that the qualifying water conservancy district will repeal the property tax;~~

~~—— (b) required by Subsection (6)(c) to repeal a property tax under this section, shall, within 10 business days after the date the bonds, notes, or other evidences of indebtedness described in Subsection (6)(c) are retired, notify the State Tax Commission that the qualifying water conservancy district will repeal the property tax;~~

~~—— (c) required by Subsection (7)(a) to repeal a property tax under this section, shall notify the State Tax Commission within 30 days of the effective day described in Subsection (7)(b) that the water conservancy district becomes a qualifying water conservancy district; or~~

~~—— (d) required by Subsection (8)(c) to repeal a property tax under this section, shall, within 10 business days after the date the bonds, notes, or other evidences of indebtedness described in Subsection (8)(c) are retired, notify the State Tax Commission that the qualifying water conservancy district will repeal the property tax.~~

Legislative Review Note

~~—— as of 2-14-12 12:16 PM~~

~~Office of Legislative Research and General Counsel; programs, including variable rate processing, education programs, landscape ordinances, and multi-tier rate structures;~~

~~(8) the allocation of costs and financing methods used in surrounding states for water projects; and~~

~~(9) the role of conservation in water pricing and supply adequacy for future water needs.~~