

1 **LOCAL POLITICAL SUBDIVISION BONDING NOTICE**
2 **REQUIREMENTS**

3 2013 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: John Knotwell**

6 Senate Sponsor: _____

8 **LONG TITLE**

9 **General Description:**

10 This bill amends requirements relating to a local political subdivision providing notice
11 relating to the issuance of bonds.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ requires additional information in a notice of bonds to be issued; and
15 ▶ requires that, when a local political subdivision provides notice of the local political
16 subdivision's intent to issue bonds, the notice shall include a copy of:
- 17 • the resolution or other proceeding that provides for the issuance of bonds; or
 - 18 • a notice of bonds to be issued.

19 **Money Appropriated in this Bill:**

20 None

21 **Other Special Clauses:**

22 None

23 **Utah Code Sections Affected:**

24 AMENDS:

25 **11-14-316**, as last amended by Laws of Utah 2011, Chapter 145

26 ~~⌚→ [11-14-318, as last amended by Laws of Utah 2009, First Special Session, Chapter 5] ←⌚~~



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

29 Section 1. Section **11-14-316** is amended to read:

30 **11-14-316. Publication of notice, resolution, or other proceeding -- Contest.**

31 (1) The governing body of any local political subdivision may provide for the
32 publication of any resolution or other proceeding adopted under this chapter:

33 (a) in a newspaper having general circulation in the local political subdivision; and

34 (b) as required in Section 45-1-101.

35 (2) When ~~[publication involves]~~ a resolution or other proceeding ~~[providing]~~ provides
36 for the issuance of bonds, the governing body may, in lieu of publishing the entire resolution or
37 other proceeding, publish a notice of bonds to be issued, titled as such, containing:

38 (a) the name of the issuer;

39 (b) the purpose of the issue;

40 (c) the type of bonds and the maximum principal amount which may be issued;

41 (d) the maximum number of years over which the bonds may mature;

42 (e) the maximum interest rate which the bonds may bear, if any;

43 (f) the maximum discount from par, expressed as a percentage of principal amount, at
44 which the bonds may be sold;

45 (g) a general description of the security pledged for repayment of the bonds; ~~[and]~~

46 ~~Ĥ~~→ (h) detailed information on the debt liability owed by the local political subdivision on
47 the day on which the governing body approved issuance of the bonds;

48 ~~— (i) the estimated total cost to the political subdivision for the bonds if the bonds are~~
49 ~~held until maturity, including principal, interest, and insurance costs; and]~~

49a (h) the total par amount of bonds currently outstanding that are secured by the same
49b pledge of revenues as the proposed bonds, if any;

49c (i) information on a method by which an individual may obtain access to more detailed
49d information relating to the outstanding bonds of the local political subdivision;

49e (j) the estimated total cost to the local political subdivision for the proposed bonds if the
49f bonds are held until maturity, based on interest rates in effect at the time that the local
49g political subdivision publishes the notice; and ←Ĥ

50 ~~[(h)]~~ ~~Ĥ~~→ ~~[(j)]~~ (k) ←Ĥ the times and place where a copy of the resolution or other
50a proceeding may be
51 examined, which shall be:

52 (i) at an office of the issuer~~[-(ii)]~~ identified in the notice~~[-(iii)]~~, during regular
53 business hours of the issuer as described in the notice; and

54 ~~[(iv)]~~ (ii) for a period of at least 30 days after the publication of the notice.

55 (3) For a period of 30 days after the publication, any person in interest may contest:

56 (a) the legality of such resolution or proceeding;

57 (b) any bonds which may be authorized by such resolution or proceeding; or

58 (c) any provisions made for the security and payment of the bonds.

59 (4) A person shall contest the matters set forth in Subsection (3) by filing a verified
60 written complaint in the district court of the county in which he resides within the 30-day
61 period.

62 (5) After the 30-day period, no person may contest the regularity, formality, or legality
63 of the resolution or proceeding for any reason.

64 ~~H→ [Section 2. Section 11-14-318 is amended to read:~~

65 ~~11-14-318. Public hearing required -- Notice:~~

66 ~~(1) Before issuing bonds authorized under this chapter, a local political subdivision~~
67 ~~shall:~~

68 ~~(a) in accordance with Subsection (2), provide public notice of the local political~~
69 ~~subdivision's intent to issue bonds; [and]~~

70 ~~(b) include, with the public notice described in Subsection (1)(a):~~

71 ~~(i) a copy of the resolution or other proceeding that provides for the issuance of bonds;~~

72 ~~or~~

73 ~~(ii) a notice of bonds to be issued, described in Subsection 11-14-316(2); and~~

74 ~~[(b)](c) hold a public hearing;~~

75 ~~(i) if an election is required under this chapter:~~

76 ~~(A) no sooner than 30 days before the day on which the notice of election is published~~
77 ~~under Section 11-14-202; and~~

78 ~~(B) no later than five business days before the day on which the notice of election is~~
79 ~~published under Section 11-14-202; and~~

80 ~~(ii) to receive input from the public with respect to:~~

81 ~~(A) the issuance of the bonds; and~~

82 ~~(B) the potential economic impact that the improvement, facility, or property for which~~
83 ~~the bonds pay all or part of the cost will have on the private sector.~~

84 ~~(2) A local political subdivision shall:~~

85 ~~(a) publish the notice required by Subsection (1)(a):~~

86 ~~(i) once each week for two consecutive weeks in the official newspaper described in~~
87 ~~Section 11-14-316 with the first publication being not less than 14 days before the public~~
88 ~~hearing required by Subsection (1)[(b)](c); and~~

89 ~~(ii) on the Utah Public Notice Website, created under Section 63F-1-701, no less than~~

90 ~~14 days before the public hearing required by Subsection (1)(b)(c); and~~
91 ~~—— (b) ensure that the notice:~~
92 ~~—— (i) identifies:~~
93 ~~—— (A) the purpose for the issuance of the bonds;~~
94 ~~—— (B) the maximum principal amount of the bonds to be issued;~~
95 ~~—— (C) the taxes, if any, proposed to be pledged for repayment of the bonds; and~~
96 ~~—— (D) the time, place, and location of the public hearing; and~~
97 ~~—— (ii) informs the public that the public hearing will be held for the purposes described in~~
98 ~~Subsection (1)(b)(c)(ii).] ←H~~

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Office of Legislative Research and General Counsel