

214 electric service by an energy services interlocal entity within the municipal boundaries of its
215 members; or

216 (ii) makes an energy services interlocal entity a public utility under Title 54, Public
217 Utilities.

218 (f) Nothing in this section expands or diminishes the jurisdiction of the Public Service
219 Commission over a municipality or an association of municipalities organized under Title 11,
220 Chapter 13, Interlocal Cooperation Act, except as specifically authorized by this section's
221 language.

222 (g) (i) An energy services interlocal entity described in Subsection (7)(a) retains its
223 authority to provide electric service to the extent authorized by Sections 11-13-202 and
224 11-13-203 and Subsections 11-13-204 (1) through (5).

225 (ii) Notwithstanding Subsection (7)(g)(i), if the Public Service Commission approves
226 the agreement described in Subsection (7)(a)(i), the energy services interlocal entity may not
227 provide retail electric service to customers located outside the municipal boundaries of its
228 members, except for customers located within the geographic area described in the agreement.

229 Section 2. Section **11-13-218.5** is enacted to read:

230 **11-13-218.5. General obligation bonds.**

231 (1) (a) ~~H→ [Only an interlocal entity in which each member of the interlocal entity is a~~
232 ~~municipality, county, special service district, or local district may issue general obligation~~
233 ~~bonds.] An interlocal entity may issue general obligation bonds only if:~~

233a ~~(i) each member of the interlocal entity is a municipality, county, special service district,~~
233b ~~or local district;~~

233c ~~(ii) the interlocal entity governing body is composed entirely of elected officials~~
233d ~~appointed, respectively, by a member described in Subsection (1)(a)(i); and~~

233e ~~(iii) the interlocal entity has not issued any bonds currently in default. ←H~~

234 (b) ~~Except as provided in Subsection (4), if an interlocal entity intends to issue general~~
235 ~~obligation bonds, the interlocal entity shall first obtain the approval of the governing body of~~
236 ~~each member agency for the specific bond issuance, including approval of the amount and~~
237 ~~purpose of the issuance.~~

238 (c) ~~If the proposed issuance is approved by the members in accordance with Subsection~~
239 ~~(1)(b), the proposed general obligation bonds may not be issued unless submitted to and~~
240 ~~approved by the voters residing within the boundaries of the interlocal entity at an election held~~
241 ~~for that purpose as provided in Chapter 14, Local Government Bonding Act.~~

242 (2) ~~General obligation bonds may be issued for the following purposes only:~~

243 (a) ~~to construct and equip H→ public safety ←H facilities H→ [required for the operation~~
243a ~~of a sewage system] ←H ; or~~

244 (b) ~~to construct and equip facilities required for the operation of a system, or one or~~

245 more components of a system, for the collection, storage, retention, control, conservation,
 246 treatment, supplying, distribution, or reclamation of water, including storm, flood, sewage,
 247 irrigation, and culinary water, whether the system is operated on a wholesale or retail level or
 248 both.

249 (3) General obligation bonds are secured by a pledge of the full faith and credit of the
 250 interlocal entity.

251 (4) An interlocal entity may issue refunding general obligation bonds, as provided in
 252 Chapter 27, Utah Refunding Bond Act, without obtaining voter approval.

253 (5) An interlocal entity may not issue general obligation bonds if the issuance of the
 254 bonds will cause the outstanding principal amount of all of the interlocal entity's general
 255 obligation bonds to exceed ~~the~~ ~~an~~ amount that results from multiplying the fair
 255a market

256 value of the taxable property within the interlocal entity, as determined under Subsection
 257 11-14-301(3)(b) ~~the~~ , by ~~the~~ .

258 (6) Bonds issued by an interlocal entity that are not general obligation bonds are not
 259 subject to this section or Section 11-13-218.6.

260 (7) An interlocal entity is not considered to be a municipal corporation for purposes of
 261 the debt limitation of the Utah Constitution, Article XIV, Section 4.

262 (8) Bonds issued by an interlocal entity created under this chapter are not bonds of a
 263 public agency that participates in the agreement creating the interlocal entity.

264 Section 3. Section **11-13-218.6** is enacted to read:

265 **11-13-218.6. Levy to pay for general obligation bonds.**

266 (1) If an interlocal entity issues general obligation bonds, or expects to have debt
 267 service payments due on general obligation bonds during the current year, the interlocal entity's
 268 governing body may make an annual levy of ad valorem property taxes within the interlocal
 269 boundaries as described in a certificate issued under Section 67-1a-6.5 for the following
 270 purposes only:

271 (a) to pay the principal of and interest on the general obligation bonds;

272 (b) to establish a sinking fund for defaults and future debt service on the general
 273 obligation bonds; and

274 (c) to establish a reserve to secure payment of the general obligation bonds.

275 (2) (a) Each interlocal entity that levies an ad valorem property tax under Subsection