

**LOCAL GOVERNMENT BOND AMENDMENTS**

2017 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Deidre M. Henderson**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends provisions regarding required information related to a proposed bond.

**Highlighted Provisions:**

This bill:

- ▶ requires a governing body to state the cost of a bond at the beginning of a ballot proposition; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**11-14-202**, as last amended by Laws of Utah 2014, Chapter 325

**11-14-206**, as last amended by Laws of Utah 2010, Chapter 388

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

Section 1. Section **11-14-202** is amended to read:

**11-14-202. Notice of election -- Contents -- Publication -- Mailing.**

(1) The governing body shall ensure that notice of the election is provided:



28 (a) once per week during three consecutive weeks by publication in a newspaper  
29 having general circulation in the local political subdivision in accordance with Section  
30 11-14-316, the first publication occurring not less than 21 nor more than 35 days before the  
31 election;

32 (b) on a website, if available, in accordance with Section 45-1-101 for the three weeks  
33 that immediately precede the election; and

34 (c) in a local political subdivision where there is no newspaper of general circulation,  
35 by posting notice of the bond election in at least five public places in the local political  
36 subdivision at least 21 days before the election.

37 (2) When the debt service on the bonds ~~[to be issued]~~ the governing body intends to  
38 issue will increase the property tax imposed upon the average value of a residence by an  
39 amount that is greater than or equal to \$15 per year, the governing body shall prepare and mail  
40 either a voter information pamphlet or a notification described in Subsection (6):

41 (a) at least 15 days but not more than 45 days before the bond election;

42 (b) to each household containing a registered voter who is eligible to vote on the  
43 bonds; and

44 (c) that includes the information required by Subsections (3) and (4).

45 (3) The governing body shall ensure that the notice and voter information pamphlet  
46 required by this section ~~[shall]~~ include:

47 (a) the date and place of the election;

48 (b) the hours during which the polls will be open; and

49 (c) the title and text of the ballot proposition.

50 (4) (a) The governing body shall ensure that the voter information pamphlet required  
51 by this section ~~[shall include]~~ includes:

52 ~~[(a)]~~ (i) the information required by Subsection (3); and

53 ~~[(b)]~~ (ii) an explanation of the property tax impact, if any, of the issuance of the bonds,  
54 which may be based on information the governing body determines to be useful, including:

55 ~~[(i)]~~ (A) expected debt service on the bonds to be issued;

56 ~~[(ii)]~~ (B) a description of the purpose, remaining principal balance, and maturity date  
57 of any outstanding general obligation bonds of the issuer;

58 ~~[(iii)]~~ (C) funds other than property taxes available to pay debt service on general

59 obligation bonds;

60 ~~[(iv)]~~ (D) timing of expenditures of bond proceeds;

61 ~~[(v)]~~ (E) property values; and

62 ~~[(vi)]~~ (F) any additional information that the governing body determines may be useful  
63 to explain the property tax impact of issuance of the bonds.

64 (b) The governing body shall clearly state the cost of the bond, including the  
65 information required in Subsection (4)(a)(ii), on the first page of the voter information  
66 pamphlet and before any other information explaining the bond.

67 (5) The governing body shall pay the costs associated with the notice required by this  
68 section.

69 (6) (a) The governing body may mail a notice printed on a postage prepaid,  
70 preaddressed return form that a person may use to request delivery of a voter information  
71 pamphlet by mail.

72 (b) The governing body shall ensure that the notice described in Subsection (6)(a)  
73 ~~[shall include]~~ includes:

74 (i) the website upon which the voter information pamphlet is available; and

75 (ii) the phone number a voter may call to request delivery of a voter information  
76 pamphlet by mail.

77 (7) A local school board shall comply with the voter information pamphlet  
78 requirements described in Section [53A-18-102](#).

79 Section 2. Section **11-14-206** is amended to read:

80 **11-14-206. Ballots -- Submission of ballot language -- Form and contents.**

81 (1) At least 75 days before the election, the governing body shall prepare and submit to  
82 the election officer:

83 (a) a ballot title for the bond proposition that includes the name of the local political  
84 subdivision issuing the bonds and the word "bond"; and

85 (b) a ballot proposition that meets the requirements of Subsection (2).

86 (2) (a) The governing body shall ensure that the ballot proposition ~~[shall include]~~  
87 includes:

88 (i) the maximum principal amount of the bonds;

89 (ii) the maximum number of years from the issuance of the bonds to final maturity;

90 (iii) the general purpose for which the bonds are to be issued; and

91 (iv) if issuance of the bonds will require the increase of the property tax imposed upon  
92 the average value of a residence by an amount that is greater than or equal to \$15 per year, the  
93 following information in substantially the following form:

94 "PROPERTY TAX COST OF BONDS:

95 If the bonds are issued as planned, without regard to the taxes currently levied for  
96 outstanding bonds that will reduce over time, an annual property tax to pay debt service on the  
97 bonds will be required over a period of \_\_\_\_ years in the estimated amount of \$ \_\_\_\_ ~~on a~~  
98 (insert the average value of a residence in the taxing entity rounded to the nearest thousand  
99 dollars) on a residence and in the estimated amount of \$ \_\_\_\_ on a business property having the  
100 same value.

101 [If applicable] If there are other outstanding bonds, an otherwise scheduled tax  
102 decrease may not occur if these bonds are issued.

103 If the bonds are not issued as planned, taking into account the taxes currently levied for  
104 outstanding bonds that will reduce over time, an annual property tax decrease will result after a  
105 period of \_\_\_\_ years (insert the same number of years stated in the paragraph describing the  
106 property tax cost of the bonds) in the estimated amount of \$ \_\_\_\_ (insert the same average value  
107 of a residence stated in the paragraph describing the property tax cost of the bonds) on a  
108 residence and in the estimated amount of \$ \_\_\_\_ on a business property having the same value.

109 The foregoing information is only an estimate and is not a limit on the amount of taxes  
110 that the governing body may be required to levy in order to pay debt service on the bonds. The  
111 governing body is obligated to levy taxes to the extent provided by law in order to pay the  
112 bonds."

113 (b) The governing body shall include the information described in Subsection (2)(a)(iv)  
114 as the first paragraph of the bond proposition and before any other information explaining the  
115 bond.

116 ~~[(b)]~~ (c) The governing body may state the purpose of the bonds [may be stated] in  
117 general terms and need not specify the particular projects for which the governing body intends  
118 to issue the bonds [are to be issued] or the specific amount of bond proceeds [to be expended]  
119 that the governing body intends to expend for each project.

120 ~~[(c)]~~ (d) If the governing body intends that the bonds [are to] be payable in part from

121 tax proceeds and in part from the operating revenues of the local political subdivision, or from  
122 any combination of tax proceeds and operating revenues, the ~~[bond proposition]~~ governing  
123 body may indicate those payment sources on the bond proposition, but need not specify how  
124 the governing body intends to divide the bonds ~~[are to be divided]~~ between those sources of  
125 payment.

126 ~~[(d)]~~ (e) (i) The governing body shall ensure that the bond proposition ~~[shall be]~~ is  
127 followed by the words, "For the issuance of bonds" and "Against the issuance of bonds," with  
128 appropriate boxes in which the voter may indicate ~~[his]~~ the voter's choice.

129 (ii) Nothing in Subsection (2)(d)(i) prohibits the addition of descriptive information  
130 about the bonds.

131 (3) If a bond proposition is submitted to a vote on the same day as any other election  
132 held in the local political subdivision calling the bond election, the governing body or an  
133 election officer may combine the bond proposition ~~[may be combined]~~ with the candidate  
134 ballot in a manner consistent with Section [20A-6-301](#), [20A-6-303](#), or [20A-6-402](#).

135 (4) The governing body shall ensure that the ballot form ~~[shall comply]~~ complies with  
136 the requirements of Title 20A, Chapter 6, Ballot Form.

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**Legislative Review Note**  
**Office of Legislative Research and General Counsel**