

Senator Deidre M. Henderson proposes the following substitute bill:

LOCAL GOVERNMENT BOND AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Deidre M. Henderson

House Sponsor: Justin L. Fawson

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ▶ addresses the order in which a governing body must state the property tax cost of a bond on a ballot proposition and a voter information pamphlet; 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

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

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



26 **11-14-202. Notice of election -- Contents -- Publication -- Mailing.**

27 (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 in the following order:

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, including the property tax cost of the
50 bond described in Subsection [11-14-206\(2\)\(a\)](#).

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

53 (a) the information required by Subsection (3); and

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

56 (i) expected debt service on the bonds to be issued;

57 (ii) a description of the purpose, remaining principal balance, and maturity date of any
58 outstanding general obligation bonds of the issuer;

59 (iii) funds other than property taxes available to pay debt service on general obligation
60 bonds;

61 (iv) timing of expenditures of bond proceeds;

62 (v) property values; and

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

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

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

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

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

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

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

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

78 **11-14-206. Ballots -- Submission of ballot language -- Form and contents.**

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

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

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

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

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

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

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

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

92 "PROPERTY TAX COST OF BONDS:

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

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

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

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

109 (c) If the governing body intends that the bonds ~~[are to]~~ be payable in part from tax
110 proceeds and in part from the operating revenues of the local political subdivision, or from any
111 combination of tax proceeds and operating revenues, the ~~[bond proposition]~~ governing body
112 may indicate those payment sources on the bond proposition, but need not specify how the
113 governing body intends to divide the bonds ~~[are to be divided]~~ between those sources of
114 payment.

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

118 (ii) Nothing in Subsection (2)(d)(i) prohibits the addition of descriptive information

119 about the bonds.

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

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