

LOCAL DISTRICT PROPERTY TAX AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Karen M. Peterson

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions related to a local district's property tax increase or bond issuance.

Highlighted Provisions:

This bill:

▸ requires a member of a board of trustees of a local district to report tax increases and bond issuances to the member's legislative body; and

▸ requires the legislative body to make a recommendation regarding the local district's tax increase or bond issuance.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

17B-1-1003, as last amended by Laws of Utah 2019, Chapter 255

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

Section 1. Section **17B-1-1003** is amended to read:

17B-1-1003. Trustee reporting requirement.



28 (1) As used in this section:

29 (a) "Appointed board of trustees" means a board of trustees of a local district that
30 includes a member who is appointed to the board of trustees in accordance with Section
31 17B-1-304, Subsection 17B-1-303(5), Subsection 17B-1-306(5)(h), or any of the applicable
32 provisions in Title 17B, Chapter 2a, Provisions Applicable to Different Types of Local
33 Districts.

34 (b) "Legislative entity" means:

35 (i) the member's appointing authority, if the appointing authority is a legislative body;

36 or

37 (ii) the member's nominating entity, if the appointing authority is not a legislative body.

38 (c) (i) "Member" means an individual who is appointed to a board of trustees for a
39 local district in accordance with Section 17B-1-304, Subsection 17B-1-303(5), Subsection
40 17B-1-306(5)(h), or any of the applicable provisions in Title 17B, Chapter 2a, Provisions
41 Applicable to Different Types of Local Districts.

42 (ii) "Member" includes a member of the board of trustees who holds an elected
43 position with a municipality, county, or another local district that is partially or completely
44 included within the boundaries of the local district.

45 (d) "Nominating entity" means the legislative body that submits nominees for
46 appointment to the board of trustees to an appointing authority.

47 (e) "Property tax increase" means a property tax levy that exceeds the certified tax rate
48 for the taxable year.

49 (2) (a) If a local district board of trustees adopts a tentative budget that includes a
50 property tax increase, or if a local district board of trustees intends to issue a bond, each
51 member shall report to the member's legislative entity on the property tax increase or bond
52 issuance.

53 (b) (i) The local district shall request that each of the legislative entities that appoint or
54 nominate a member to the local district's board of trustees hear the report required by
55 Subsection (2)(a) at a public meeting of each legislative entity.

56 (ii) The request to make a report may be made by:

57 (A) the member appointed or nominated by the legislative entity; or

58 (B) another member of the board of trustees.

59 (c) The member appointed or nominated by the legislative entity shall make the report
60 required by Subsection (2)(a) at a public meeting that:

- 61 (i) complies with Title 52, Chapter 4, Open and Public Meetings Act;
- 62 (ii) includes the report as a separate agenda item; and
- 63 (iii) is held within 40 days after the day on which the legislative entity receives a
64 request to hear the report.

65 (d) ~~[(f)]~~ If the legislative entity does not have a scheduled meeting within 40 days after
66 the day on which the legislative entity receives a request to hear the report required by
67 Subsection (2)(a), the legislative entity shall schedule a meeting for that purpose.

68 ~~[(ii) If the legislative entity fails to hear the report at a public meeting that meets the
69 criteria described in Subsection (2)(c), the trustee reporting requirements under this section
70 shall be considered satisfied.]~~

71 (3) (a) A report on a property tax increase at a legislative entity's public meeting shall
72 include:

- 73 (i) a statement that the local district intends to levy a property tax at a rate that exceeds
74 the certified tax rate for the taxable year;
- 75 (ii) the dollar amount of and purpose for additional ad valorem tax revenue that would
76 be generated by the proposed increase in the certified tax rate;
- 77 (iii) the approximate percentage increase in ad valorem tax revenue for the local
78 district based on the proposed property tax increase; and
- 79 (iv) any other information requested by the legislative entity.

80 (b) A report on a bond issuance at a legislative entity's public meeting shall include:

- 81 (i) an explanation of the property tax impact, if any, of the issuance of the bonds,
82 including:
 - 83 (A) expected debt service on the bonds to be issued;
 - 84 (B) a description of the purpose, remaining principal balance, and maturity date of any
85 outstanding bonds of the issuer;
 - 86 (C) funds other than property taxes available to pay debt service on the bonds;
 - 87 (D) the schedule of expenditures of bond proceeds;
 - 88 (E) property values; and
 - 89 (F) any additional information that the appointed board of trustees determines may be

90 useful to explain the property tax impact of the bond issuance.

91 ~~(b)~~ (c) The legislative entity shall:

92 (i) allow time during the meeting for comment from the legislative entity and members
93 of the public on the property tax increase[-]; and

94 (ii) for each property tax increase or bond issuance, vote to recommend that the
95 member:

96 (A) support the property tax increase or bond issuance;

97 (B) oppose the property tax increase or bond issuance; or

98 (C) propose to amend the property tax increase or bond issuance, in accordance with
99 the legislative entity's recommendation.

100 (4) (a) If more than one member is appointed to the board of trustees by the same
101 legislative entity, a majority of the members appointed or nominated by the legislative entity
102 shall be present to provide the report required by Subsection (2) and described in Subsection
103 (3).

104 (b) The chair of the board of trustees shall appoint another member of the board of
105 trustees to provide the report described in Subsection (3) to the legislative entity if:

106 (i) the member appointed or nominated by the legislative entity is unable or unwilling
107 to provide the report at a public meeting that meets the requirements of Subsection (3)(a); and

108 (ii) the absence of the member appointed or nominated by the legislative entity results
109 in:

110 (A) no member who was appointed or nominated by the legislative entity being present
111 to provide the report; or

112 (B) an inability to comply with Subsection (4)(a).

113 (5) A local district board of trustees may approve a property tax increase only after the
114 conditions of this section have been satisfied or considered satisfied for each member of the
115 board of trustees.