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SCHOOL DISTRICT BONDING AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: Ariel Defay

LONG TITLE

General Description:

This bill requires school districts to update information regarding the district's bond debt at certain intervals.

Highlighted Provisions:

This bill:

- requires school districts to update information regarding the district's bond debt at certain intervals; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

53G-4-603, as renumbered and amended by Laws of Utah 2018, Chapter 3

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

Section 1. Section **53G-4-603** is amended to read:

53G-4-603 . Additional indebtedness -- Election -- Voter information pamphlet.

(1) As used in this section:

- (a) "Qualifying general obligation bond" means a bond:
 - (i) issued pursuant to Title 11, Chapter 14, Local Government Bonding Act; and
 - (ii) authorized by an election held on or after July 1, 2014.
- (b) "Voter information pamphlet" means the notification required by Section 11-14-202.

(2) A local school board may require the qualified electors of the district to vote on a

- 29 proposition as to whether to incur indebtedness, subject to conditions provided in Title
 30 11, Chapter 14, Local Government Bonding Act, if:
- 31 (a) the debts of the district are equal to school taxes and other estimated revenues for the
 32 school year, and it is necessary to create and incur additional indebtedness in order to
 33 maintain and support schools within the district; or
- 34 (b) the local school board determines it advisable to issue school district bonds to
 35 purchase school sites, buildings, or furnishings or to improve existing school property.
- 36 (3) A local school board shall specify, in the voter information pamphlet for a bond
 37 election, a plan of finance, including:
- 38 (a) the specific project or projects for which a bond is to be issued; and
 39 (b) a priority designation for each project.
- 40 (4) Except as provided in Subsection (5), a local school board shall ensure that qualifying
 41 general obligation bond proceeds are used to complete projects in accordance with the
 42 plan of finance described in Subsection (3).
- 43 (5) (a) After distribution to the public of the voter information pamphlet, with two-thirds
 44 majority approval of the local school board, a local school board may upon a
 45 determination of compelling circumstances adjust the plan of finance described in
 46 Subsection (3) by:
- 47 (i) changing the priority designation of a project;
 48 (ii) adding a project that was not listed in the voter information pamphlet; or
 49 (iii) removing a project that was listed in the voter information pamphlet.
- 50 (b) A local school board may not vote on more than one adjustment described in
 51 Subsection (5)(a) per meeting.
- 52 (6) For a qualifying general obligation bond, a local school board shall:
- 53 (a) in accordance with Subsection (6)(b), post on the local school board's website:
- 54 ~~[(a)]~~ (i) the plan of finance as described in the voter information pamphlet; and
 55 ~~[(b)]~~ (ii) a progress report detailing the status of the projects listed in the plan of
 56 finance, including:
- 57 ~~[(i)]~~ (A) the status of any construction contracts related to a project;
 58 ~~[(ii)]~~ (B) the bid amount;
 59 ~~[(iii)]~~ (C) the estimated and actual construction start date;
 60 ~~[(iv)]~~ (D) the estimated and actual construction end date; and
 61 ~~[(v)]~~ (E) the final cost[-] ; and
- 62 (b) update the information described in Subsection (6)(a):

- 63 (i) before the beginning of each new fiscal year; and
- 64 (ii) no less than 30 days before any vote on the issuance of a new bond by the local
- 65 school board or the public.

66 (7) (a) If a local school board violates Subsection (4), a registered voter in the school
67 district may file an action for an extraordinary writ to prohibit the local school board
68 from adjusting the plan of finance without obtaining the necessary local school board
69 approval.

70 (b) If a registered voter prevails in an action under Subsection (7)(a), the court shall
71 award reasonable costs and attorney fees to the registered voter.

72 (c) The action described in Subsection (7)(a) may not be used to challenge the validity
73 of a bond.

74 **Section 2. Effective date.**

75 This bill takes effect on May 1, 2024.