

Senator Heidi Balderree proposes the following substitute bill:

LOCAL REFERENDA AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Heidi Balderree

House Sponsor: Matt MacPherson

LONG TITLE

General Description:

This bill modifies provisions related to local referenda.

Highlighted Provisions:

This bill:

- ▶ provides that a city's, town's, or county's decision to issue a revenue bond payable solely from excise tax revenue is subject to a local referendum; and
- ▶ shortens the time frame for filing an application for a local referendum petition.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

11-14-307, as last amended by Laws of Utah 2008, Chapter 21

20A-7-601, as last amended by Laws of Utah 2023, Chapters 107, 219

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

Section 1. Section **11-14-307** is amended to read:



26 **11-14-307. Revenue bonds payable out of excise tax revenues.**
27 (1) To the extent constitutionally permissible, a city, town, or county may:
28 (a) issue bonds payable solely from a special fund into which are to be deposited:
29 (i) excise taxes levied and collected by the city, town, or county;
30 (ii) excise taxes levied by the state and rebated pursuant to law to the city, town, or
31 county; or
32 (iii) a combination of the excise taxes described in Subsections (1)(a)(i) and (ii); or
33 (b) pledge all or any part of the excise taxes described in Subsection (1)(a) as an
34 additional source of payment for general obligation bonds it issues.
35 (2) (a) If the covenant is not inconsistent with this chapter, a resolution or trust
36 indenture providing for the issuance of bonds payable in whole or in part from the proceeds of
37 excise tax revenues may contain covenants with the holder or holders of the bonds as to:
38 (i) the excise tax revenues;
39 (ii) the disposition of the excise tax revenues;
40 (iii) the issuance of future bonds; and
41 (iv) other pertinent matters that are considered necessary by the governing body to
42 assure the marketability of those bonds.
43 (b) A resolution may also include provisions to insure the enforcement, collection, and
44 proper application of excise tax revenues as the governing body may think proper.
45 (c) The proceeds of bonds payable in whole or in part from pledged class B or C road
46 funds shall be used to construct, repair, and maintain streets and roads in accordance with
47 Sections [72-6-108](#) and [72-6-110](#) and to fund any reserves and costs incidental to the issuance of
48 the bonds.
49 (d) When any bonds payable from excise tax revenues have been issued, the resolution
50 or other enactment of the legislative body imposing the excise tax and pursuant to which the
51 tax is being collected, the obligation of the governing body to continue to levy, collect, and
52 allocate the excise tax, and to apply the revenues derived from the excise tax in accordance
53 with the provisions of the authorizing resolution or other enactment, shall be irrevocable until
54 the bonds have been paid in full as to both principal and interest, and is not subject to
55 amendment in any manner that would impair the rights of the holders of those bonds or which
56 would in any way jeopardize the timely payment of principal or interest when due.

57 (3) (a) The state pledges to and agrees with the holders of any bonds issued by a city,
58 town, or county to which the proceeds of excise taxes collected by the state and rebated to the
59 city, town, or county are devoted or pledged as authorized in this section, that the state will not
60 alter, impair, or limit the excise taxes in a manner that reduces the amounts to be rebated to the
61 city, town, or county which are devoted or pledged as authorized in this section until the bonds
62 or other securities, together with applicable interest, are fully met and discharged.

63 (b) Nothing in this Subsection (3) precludes alteration, impairment, or limitation of
64 excise taxes if adequate provision is made by law for the protection of the holders of the bonds.

65 (c) A city, town, or county may include this pledge and undertaking for the state in
66 those bonds.

67 (4) (a) Outstanding bonds to which excise tax revenues are pledged as the sole source
68 of payment may not at any one time exceed an amount for which the average annual
69 installments of principal and interest will exceed 80% of the total excise tax revenues received
70 by the issuing entity from the collection or rebate of the excise tax revenues during the fiscal
71 year of the issuing entity immediately preceding the fiscal year in which the resolution
72 authorizing the issuance of bonds is adopted.

73 (b) If an excise tax has not been levied by a city, town, or county for a sufficient period
74 of time to determine the 80% bond payment requirement under Subsection (4)(a), a city, town,
75 or county may use an excise tax revenue that is currently levied within the same geographic
76 coverage area and with the same percentage of collection to determine the amount of excise tax
77 revenues that are expected to be received to determine the 80% bond payment requirement
78 under Subsection (4)(a).

79 (5) Bonds issued solely from a special fund into which are to be deposited excise tax
80 revenues constitutes a borrowing solely upon the credit of the excise tax revenues received or
81 to be received by the city, town, or county and does not constitute an indebtedness or pledge of
82 the general credit of the city, town, or county.

83 (6) Before issuing any bonds under this section, a city, town, or county shall comply
84 with Section 11-14-318.

85 ~~[(7) A city, town, or county shall submit the question of whether or not to issue any~~
86 ~~bonds under this section to voters for their approval or rejection if, within 30 calendar days~~
87 ~~after the notice required by Section 11-14-318, a written petition requesting an election and~~

88 signed by at least 20% of the registered voters in the city, town, or county is filed with the city,
89 town, or county.]

90 (7) A city's, town's, or county's action to issue a bond under this section is subject to a
91 local referendum in accordance with Title 20A, Chapter 7, Issues Submitted to the Voters.

92 Section 2. Section **20A-7-601** is amended to read:

93 **20A-7-601. Referenda -- General signature requirements -- Signature**
94 **requirements for land use laws, subjurisdictional laws, and transit area land use laws --**
95 **Time requirements.**

96 (1) As used in this section:

97 (a) "Number of active voters" means the number of active voters in the county, city, or
98 town on the immediately preceding January 1.

99 (b) "Qualifying county" means a county that has created a small public transit district,
100 as defined in Section [17B-2a-802](#), on or before January 1, 2022.

101 (c) "Qualifying transit area" means:

102 (i) a station area, as defined in Section [10-9a-403.1](#), for which the municipality with
103 jurisdiction over the station area has satisfied the requirements of Subsection
104 [10-9a-403.1\(2\)\(a\)\(i\)](#), as demonstrated by the adoption of a station area plan or resolution under
105 Subsection [10-9a-403.1\(2\)](#); or

106 (ii) a housing and transit reinvestment zone, as defined in Section [63N-3-602](#), created
107 within a qualifying county.

108 (d) "Subjurisdiction" means an area comprised of all precincts and subprecincts in the
109 jurisdiction of a county, city, or town that are subject to a subjurisdictional law.

110 (e) (i) "Subjurisdictional law" means a local law or local obligation law passed by a
111 local legislative body that imposes a tax or other payment obligation on property in an area that
112 does not include all precincts and subprecincts under the jurisdiction of the county, city, town,
113 or metro township.

114 (ii) "Subjurisdictional law" does not include a land use law.

115 (f) "Transit area land use law" means a land use law that relates to the use of land
116 within a qualifying transit area.

117 (g) "Voter participation area" means an area described in Subsection [20A-7-401.3\(1\)\(a\)](#)
118 or (2)(b).

119 (2) Except as provided in Subsections (3) through (5), an eligible voter seeking to have
120 a local law passed by the local legislative body submitted to a vote of the people shall, after
121 filing a referendum application, obtain legal signatures equal to:

122 (a) for a county of the first class:

123 (i) 7.75% of the number of active voters in the county; and

124 (ii) beginning on January 1, 2020, 7.75% of the number of active voters in at least 75%
125 of the county's voter participation areas;

126 (b) for a metro township with a population of 100,000 or more, or a city of the first
127 class:

128 (i) 7.5% of the number of active voters in the metro township or city; and

129 (ii) beginning on January 1, 2020, 7.5% of the number of active voters in at least 75%
130 of the metro township's or city's voter participation areas;

131 (c) for a county of the second class:

132 (i) 8% of the number of active voters in the county; and

133 (ii) beginning on January 1, 2020, 8% of the number of active voters in at least 75% of
134 the county's voter participation areas;

135 (d) for a metro township with a population of 65,000 or more but less than 100,000, or
136 a city of the second class:

137 (i) 8.25% of the number of active voters in the metro township or city; and

138 (ii) beginning on January 1, 2020, 8.25% of the number of active voters in at least 75%
139 of the metro township's or city's voter participation areas;

140 (e) for a county of the third class:

141 (i) 9.5% of the number of active voters in the county; and

142 (ii) beginning on January 1, 2020, 9.5% of the number of active voters in at least 75%
143 of the county's voter participation areas;

144 (f) for a metro township with a population of 30,000 or more but less than 65,000, or a
145 city of the third class:

146 (i) 10% of the number of active voters in the metro township or city; and

147 (ii) beginning on January 1, 2020, 10% of the number of active voters in at least 75%
148 of the metro township's or city's voter participation areas;

149 (g) for a county of the fourth class:

- 150 (i) 11.5% of the number of active voters in the county; and
151 (ii) beginning on January 1, 2020, 11.5% of the number of active voters in at least 75%
152 of the county's voter participation areas;
- 153 (h) for a metro township with a population of 10,000 or more but less than 30,000, or a
154 city of the fourth class:
- 155 (i) 11.5% of the number of active voters in the metro township or city; and
156 (ii) beginning on January 1, 2020, 11.5% of the number of active voters in at least 75%
157 of the metro township's or city's voter participation areas;
- 158 (i) for a metro township with a population of 1,000 or more but less than 10,000, a city
159 of the fifth class, or a county of the fifth class, 25% of the number of active voters in the metro
160 township, city, or county; or
- 161 (j) for a metro township with a population of less than 1,000, a town, or a county of the
162 sixth class, 35% of the number of active voters in the metro township, town, or county.
- 163 (3) Except as provided in Subsection (4) or (5), an eligible voter seeking to have a land
164 use law or local obligation law passed by the local legislative body submitted to a vote of the
165 people shall, after filing a referendum application, obtain legal signatures equal to:
- 166 (a) for a county of the first, second, third, or fourth class:
- 167 (i) 16% of the number of active voters in the county; and
168 (ii) beginning on January 1, 2020, 16% of the number of active voters in at least 75%
169 of the county's voter participation areas;
- 170 (b) for a county of the fifth or sixth class:
- 171 (i) 16% of the number of active voters in the county; and
172 (ii) beginning on January 1, 2020, 16% of the number of active voters in at least 75%
173 of the county's voter participation areas;
- 174 (c) for a metro township with a population of 100,000 or more, or a city of the first
175 class:
- 176 (i) 15% of the number of active voters in the metro township or city; and
177 (ii) beginning on January 1, 2020, 15% of the number of active voters in at least 75%
178 of the metro township's or city's voter participation areas;
- 179 (d) for a metro township with a population of 65,000 or more but less than 100,000, or
180 a city of the second class:

- 181 (i) 16% of the number of active voters in the metro township or city; and
182 (ii) beginning on January 1, 2020, 16% of the number of active voters in at least 75%
183 of the metro township's or city's voter participation areas;
- 184 (e) for a metro township with a population of 30,000 or more but less than 65,000, or a
185 city of the third class:
- 186 (i) 27.5% of the number of active voters in the metro township or city; and
187 (ii) beginning on January 1, 2020, 27.5% of the number of active voters in at least 75%
188 of the metro township's or city's voter participation areas;
- 189 (f) for a metro township with a population of 10,000 or more but less than 30,000, or a
190 city of the fourth class:
- 191 (i) 29% of the number of active voters in the metro township or city; and
192 (ii) beginning on January 1, 2020, 29% of the number of active voters in at least 75%
193 of the metro township's or city's voter participation areas;
- 194 (g) for a metro township with a population of 1,000 or more but less than 10,000, or a
195 city of the fifth class, 35% of the number of active voters in the metro township or city; or
196 (h) for a metro township with a population of less than 1,000 or a town, 40% of the
197 number of active voters in the metro township or town.
- 198 (4) A person seeking to have a subjurisdictional law passed by the local legislative
199 body submitted to a vote of the people shall, after filing a referendum application, obtain legal
200 signatures of the residents in the subjurisdiction equal to:
- 201 (a) 10% of the number of active voters in the subjurisdiction if the number of active
202 voters exceeds 25,000;
- 203 (b) 12-1/2% of the number of active voters in the subjurisdiction if the number of
204 active voters does not exceed 25,000 but is more than 10,000;
- 205 (c) 15% of the number of active voters in the subjurisdiction if the number of active
206 voters does not exceed 10,000 but is more than 2,500;
- 207 (d) 20% of the number of active voters in the subjurisdiction if the number of active
208 voters does not exceed 2,500 but is more than 500;
- 209 (e) 25% of the number of active voters in the subjurisdiction if the number of active
210 voters does not exceed 500 but is more than 250; and
211 (f) 30% of the number of active voters in the subjurisdiction if the number of active

212 voters does not exceed 250.

213 (5) An eligible voter seeking to have a transit area land use law passed by the local
214 legislative body submitted to a vote of the people shall, after filing a referendum application,
215 obtain legal signatures equal to:

216 (a) for a county:

217 (i) 20% of the number of active voters in the county; and

218 (ii) 21% of the number of active voters in at least 75% of the county's voter
219 participation areas;

220 (b) for a metro township with a population of 100,000 or more, or a city of the first
221 class:

222 (i) 20% of the number of active voters in the metro township or city; and

223 (ii) 20% of the number of active voters in at least 75% of the metro township's or city's
224 voter participation areas;

225 (c) for a metro township with a population of 65,000 or more but less than 100,000, or
226 a city of the second class:

227 (i) 20% of the number of active voters in the metro township or city; and

228 (ii) 21% of the number of active voters in at least 75% of the metro township's or city's
229 voter participation areas;

230 (d) for a metro township with a population of 30,000 or more but less than 65,000, or a
231 city of the third class:

232 (i) 34% of the number of active voters in the metro township or city; and

233 (ii) 34% of the number of active voters in at least 75% of the metro township's or city's
234 voter participation areas;

235 (e) for a metro township with a population of 10,000 or more but less than 30,000, or a
236 city of the fourth class:

237 (i) 36% of the number of active voters in the metro township or city; and

238 (ii) 36% of the number of active voters in at least 75% of the metro township's or city's
239 voter participation areas; or

240 (f) for a metro township with a population less than 10,000, a city of the fifth class, or a
241 town, 40% of the number of active voters in the metro township, city, or town.

242 (6) Sponsors of any referendum petition challenging, under Subsection (2), (3), (4), or

243 (5), any local law passed by a local legislative body shall file the application before 5 p.m.
244 within [~~seven~~] five days after the day on which the local law was passed.

245 (7) Nothing in this section authorizes a local legislative body to impose a tax or other
246 payment obligation on a subjurisdiction in order to benefit an area outside of the
247 subjurisdiction.

248 Section 3. **Effective date.**

249 This bill takes effect on May 1, 2024.