

**COUNTY FUND AMENDMENTS**

2017 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Lynn N. Hemingway**

Senate Sponsor: Gene Davis

|   |                      |                     |                  |
|---|----------------------|---------------------|------------------|
| 6 | Cosponsors:          | Brian S. King       | Angela Romero    |
| 7 | Patrice M. Arent     | Karen Kwan          | Elizabeth Weight |
| 8 | Rebecca Chavez-Houck | Carol Spackman Moss | Mark A. Wheatley |
| 9 | Sandra Hollins       | Marie H. Poulson    |                  |

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**LONG TITLE**

**General Description:**

This bill amends provisions related to a remaining balance in certain special funds.

**Highlighted Provisions:**

This bill:

- ▶ allows a certain county to use a remaining balance in certain special funds to benefit the area from which the county derived the special fund; and

- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**17-36-29**, as last amended by Laws of Utah 2014, Chapter 176

**63G-7-704**, as last amended by Laws of Utah 2016, Chapter 386

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

29 Section 1. Section **17-36-29** is amended to read:

30 **17-36-29. Special fund ceases -- Transfer.**

31 (1) (a) [Hf] Except as provided in Subsection (1)(b), if a county legislative body  
32 determines that the purpose no longer exists for which the legislative body created a special  
33 fund [was created no longer exists and a balance remains in the fund, the governing body shall]  
34 or any portion of the special fund, the legislative body may authorize the transfer of the  
35 remaining balance or a portion of the remaining balance to the fund balance account in the  
36 county general fund.

37 (b) The legislative body may redistribute the remaining balance or a portion of the  
38 remaining balance described in Subsection (1)(a) in accordance with Subsection (1)(c) if:

39 (i) the county levied the fund primarily on property in the unincorporated areas of the  
40 county;

41 (ii) the county established a municipal services fund to provide municipal services  
42 under Sections [17-34-1](#) and [17-36-9](#); and

43 (iii) the area from which the county levied the fund has since incorporated as a city,  
44 town, or metro township.

45 (c) The legislative body of a county described in Subsection (1)(b) may set aside the  
46 remaining balance or a portion of the remaining balance described in Subsection (1)(a) in a  
47 fund from which the county may make disbursements to support and benefit the area and the  
48 residents in the area from which the county originally derived the special fund.

49 (2) Any balance which remains in a special assessment fund and any unrequired  
50 balance in a special improvement guaranty fund shall be treated as provided in Subsection  
51 [11-42-701\(5\)](#).

52 (3) Any balance which remains in a capital projects fund shall be transferred to the  
53 appropriate debt service fund or such other fund as the bond ordinance requires or to the county  
54 general fund balance account.

55 Section 2. Section **63G-7-704** is amended to read:

56 **63G-7-704. Tax levy by political subdivisions for payment of claims, judgments,**

57 **or insurance premiums.**

58 (1) Notwithstanding any provision of law to the contrary, a political subdivision may  
59 levy an annual property tax sufficient to pay:

60 (a) any claim, settlement, or judgment, including interest payments and issuance costs  
61 for bonds issued under Subsection [11-14-103\(1\)\(d\)](#) to pay the portion of any claim, settlement,  
62 or judgment that exceeds \$3,000,000;

63 (b) the costs to defend against any claim, settlement, or judgment; or

64 (c) for the establishment and maintenance of a reserve fund for the payment of claims,  
65 settlements, or judgments that may be reasonably anticipated.

66 (2) (a) The payments authorized to pay for punitive damages or to pay the premium for  
67 authorized insurance is money spent for a public purpose within the meaning of this section  
68 and Utah Constitution, Article XIII, Sec. 5, [~~Utah Constitution,~~] even though, as a result of the  
69 levy, the maximum levy as otherwise restricted by law is exceeded.

70 (b) (i) Except as provided in Subsection (2)(b)(ii), a levy under this section may not  
71 exceed .0001 per dollar of taxable value of taxable property.

72 (ii) A levy under Subsection (1)(a) to pay the portion of any claim, settlement, or  
73 judgment that exceeds \$3,000,000 may not exceed .001 per dollar of taxable value of taxable  
74 property.

75 (c) [~~The~~] Except as provided in Subsection [17-36-29\(1\)](#), the revenues derived from this  
76 levy may not be used for any purpose other than those specified in this section.

77 (3) Beginning January 1, 2012, a local school board may not levy a tax in accordance  
78 with this section.

79 (4) A political subdivision that levies an annual property tax under Subsection (1)(a) to  
80 pay the portion of any claim, settlement, or judgment that exceeds \$3,000,000:

81 (a) shall comply with the notice and public hearing requirements under Section  
82 [59-2-919](#); and

83 (b) may levy the annual property tax until the bonds' maturity dates expire.

84 Section 3. **Effective date.**

85           If approved by two-thirds of all the members elected to each house, this bill takes effect  
86 upon approval by the governor, or the day following the constitutional time limit of Utah  
87 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,  
88 the date of veto override.