

1 **LOCAL DISTRICT REVISIONS**
2 2017 GENERAL SESSION
3 STATE OF UTAH
4 **Chief Sponsor: Lincoln Fillmore**
5 House Sponsor: _____
6 Cosponsors: Howard A. Stephenson
7 Curtis S. Bramble



9 **LONG TITLE**

10 **General Description:**

11 This bill modifies provisions related to property taxes levied by a local district.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▸ defines terms;
- 15 ▸ modifies the circumstances under which a local district, other than a large water
- 16 conservancy district, may levy or collect a property tax that exceeds the certified tax
- 17 rate; and
- 18 ▸ makes technical and conforming changes.

19 **Money Appropriated in this Bill:**

20 None

21 **Other Special Clauses:**

22 This bill provides a special effective date.

23 **Utah Code Sections Affected:**

24 AMENDS:

25 **17B-1-1001**, as last amended by Laws of Utah 2013, Chapter 415

26 **17B-2a-1009**, as last amended by Laws of Utah 2013, Chapter 415



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

Section 1. Section **17B-1-1001** is amended to read:

17B-1-1001. Provisions applicable to property tax levy.

(1) Each local district that levies and collects property taxes shall levy and collect them according to the provisions of Title 59, Chapter 2, Property Tax Act.

~~[(2) As used in this section, "elected official" means a local district board of trustees member who:]~~

~~[(a) is elected to the board of trustees by local district voters at an election held for that purpose, including a member elected under Subsection (4);]~~

~~[(b) holds, at the time of appointment to the board of trustees, an elected position with a municipality, county, or another local district that is partially or completely included within the boundaries of the local district;]~~

~~[(c) is appointed in accordance with Subsection 17B-1-303(5) or 17B-1-306(4)(f); or]~~

~~[(d) is considered to be elected in accordance with Subsection 17B-1-306(4)(g).]~~

(2) As used in this section, "directly elected official" means a local district board of trustees member who is:

(a) elected to the board of trustees by local district voters at an election held for that purpose;

(b) appointed in accordance with Subsection 17B-1-303(5) or 17B-1-306(4)(f); or

(c) considered to be elected in accordance with Subsection 17B-1-306(4)(g).

(3) (a) Except as provided in Subsection (3)(b), a local district may not levy or collect property tax revenue that exceeds the certified tax rate during a taxable year that begins on or after January 1, 2011.

(b) Notwithstanding Subsection (3)(a), a local district may levy or collect property tax revenue that exceeds the certified tax rate during a taxable year that begins on or after January 1, ~~[2011]~~ 2018, if:

(i) ~~[and]~~ to the extent that the revenue from the property tax was pledged before January 1, ~~[2011;]~~ 2018, the local district pledges the property tax revenue to pay for bonds or other obligations of the local district;

(ii) ~~[the members]~~ each member of the board of trustees ~~[are all]~~ is a directly elected

58 [officials] official;

59 ~~[(iii) the majority of the board of trustees are elected officials; or]~~

60 ~~[(iv) the proposed tax or increase in the property tax rate has been approved by:]~~

61 ~~[(A)]~~ (iii) a majority of the registered voters within the local district approve the

62 proposed tax levy at an election held for that purpose on a date specified in Section 20A-1-204;

63 or

64 ~~[(B) the legislative body of the appointing authority; or]~~

65 ~~[(C) the legislative body of:]~~

66 ~~[(F) a majority of the municipalities partially or completely included within the~~

67 ~~boundary of the specified local district; or]~~

68 ~~[(H) the county in which the specified local district is located, if the county has some or~~

69 ~~all of its unincorporated area included within the boundary of the specified local district.]~~

70 (iv) subject to Subsection (3)(c), the proposed tax levy is approved by two-thirds of the
71 legislative bodies of:

72 (A) the municipalities that are located partially or completely within the boundaries of
73 the local district; and

74 (B) the counties with an unincorporated area within the boundaries of the local district.

75 (c) For purposes of Subsection (3)(b)(iv), the proposed tax levy need not be approved
76 by two-thirds of the municipal legislative bodies and two-thirds of the county legislative
77 bodies, but by two-thirds of the total number of legislative bodies.

78 (4) (a) Notwithstanding provisions to the contrary in Title 17B, Chapter 2a, Provisions
79 Applicable to Different Types of Local Districts, and ~~[for purposes of Subsection (3)(b);~~
80 ~~members of the board of trustees of a local district shall be elected, if,]~~ subject to Subsection
81 (4)(b), a local district may change the local district's board of trustees to an elected board if:

82 (i) two-thirds of all members of the board of trustees of the local district vote in favor
83 of changing to an elected board; and

84 (ii) the legislative body of each municipality ~~[or]~~ and each county that appoints a
85 member to the board of trustees adopts a resolution approving the change to an elected board.

86 (b) A change to an elected board of trustees under Subsection (4)(a) may not shorten
87 the term of any member of the board of trustees serving at the time of the change.

88 (5) Subsections (2), (3), and (4) do not apply to:

- 89 (a) Title 17B, Chapter 2a, Part 6, Metropolitan Water District Act;
- 90 (b) Title 17B, Chapter 2a, Part 10, Water Conservancy District Act; or
- 91 (c) a local district in which:
 - 92 (i) the board of trustees consists solely of:
 - 93 (A) land owners or the land owners' agents; or
 - 94 (B) as described in Subsection 17B-1-302(1)(c), land owners or the land owners' agents
 - 95 or officers; and
 - 96 (ii) there are no residents within the local district at the time a property tax is levied.

97 Section 2. Section 17B-2a-1009 is amended to read:

98 **17B-2a-1009. Limit on property tax authority -- Exceptions.**

99 (1) As used in this section[~~,"elected"~~]:

100 (a) "Directly elected official" means a water conservancy district board of trustees
101 member who:

102 (i) is elected to the board of trustees by water conservancy district voters at an election
103 held for that purpose;

104 (ii) is appointed in accordance with Subsection 17B-1-303(5) or 17B-1-306(4)(f); or

105 (iii) is considered to be elected in accordance with Subsection 17B-1-306(4)(g).

106 (b) "Elected official" means a water conservancy district board of [trustee] trustees
107 member who:

108 [~~(a)~~] (i) is elected to the board of trustees by water conservancy district voters at an
109 election held for that purpose;

110 [~~(b)~~] (ii) holds, at the time of appointment to the board of trustees, an elected position
111 with a municipality, county, or local district that is partially or completely included within the
112 boundaries of the water conservancy district; [~~or~~]

113 [~~(c)~~] (iii) is appointed in accordance with Subsection 17B-1-303(5) or 17B-1-306(4)(f);
114 or [~~(g)~~].

115 (iv) is considered to be elected in accordance with Subsection 17B-1-306(4)(g).

116 (c) "Large water conservancy district" means a water conservancy district that has more
117 than one county partially or completely within the water conservancy district's geographic
118 boundaries.

119 (2) [~~The~~] During a taxable year that begins on or after January 1, 2015, the board of

120 trustees of a large water conservancy district may not collect property tax revenue [~~in a tax year~~
 121 ~~beginning on or after January 1, 2015;~~] that would exceed the certified tax rate under Section
 122 59-2-924 unless:

123 (a) [~~the members~~] each member of the board of trustees [~~are all~~] is an elected [~~officials~~]
 124 official;

125 (b) the majority of the board of trustees are elected officials; or

126 (c) the proposed tax levy has previously been approved by:

127 (i) a majority of the large water conservancy district voters at an election held for that
 128 purpose on a date specified in Section 20A-1-204; or

129 (ii) for a district described in Subsection 17B-2a-1005(2)(b), the appointing authority.

130 (3) During a taxable year beginning on or after January 1, 2018, the board of trustees of
 131 a water conservancy district, other than a large water conservancy district, may not collect
 132 property tax revenue that exceeds the certified tax rate under Section 59-2-924 unless:

133 (a) each member of the board of trustees is a directly elected official;

134 (b) a majority of the voters within the water conservancy district approve the proposed
 135 tax levy at an election held for that purpose on a date specified in Section 20A-1-204; or

136 (c) subject to Subsection (4), the proposed tax levy is approved by two-thirds of the
 137 legislative bodies of:

138 (i) the municipalities that are located partially or completely within the boundaries of
 139 the water conservancy district; and

140 (ii) the county with an unincorporated area within the boundaries of the water
 141 conservancy district.

142 (4) For purposes of Subsection (3)(c), the proposed tax levy need not be approved by
 143 two-thirds of the municipal legislative bodies and two-thirds of the county legislative bodies,
 144 but by two-thirds of the total number of legislative bodies.

145 Section 3. **Effective date.**

146 This bill takes effect on January 1, 2018.