

Senator Lincoln Fillmore proposes the following substitute bill:

LOCAL DISTRICT TAX REVISIONS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: _____

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ modifies the circumstances under which a local district may levy or collect a property tax that exceeds the certified rate; 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:

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

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

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



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

27 **17B-1-1001. Provisions applicable to property tax levy.**

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

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

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

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

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

38 or

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

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

43 (b) ~~[Notwithstanding Subsection (3)(a), a]~~ A local district may levy or collect property
44 tax revenue that exceeds the certified tax rate during a taxable year that begins on or after
45 January 1, 2011, and before January 1, 2017, if:

46 (i) and to the extent that the revenue from the property tax was pledged before January
47 1, 2011, to pay for bonds or other obligations of the local district;

48 (ii) the members of the board of trustees are all elected officials;

49 (iii) the majority of the board of trustees are elected officials; or

50 (iv) the proposed tax or increase in the property tax rate has been approved by:

51 (A) a majority of the registered voters within the local district at an election held for
52 that purpose on a date specified in Section 20A-1-204;

53 (B) the legislative body of the appointing authority; or

54 (C) the legislative body of:

55 (I) a majority of the municipalities partially or completely included within the
56 boundary of the specified local district; or

57 (II) the county in which the specified local district is located, if the county has some or
58 all of its unincorporated area included within the boundary of the specified local district.

59 (c) A local district may levy or collect property tax revenue that exceeds the certified
60 rate during a taxable year that begins on or after January 1, 2017, if:

61 (i) and to the extent that the revenue from the property tax was pledged before January
62 1, 2017, to pay for bonds or other obligations of the local district;

63 (ii) each member of the board of trustees is an elected official;

64 (iii) a majority of the registered voters within the local district approve the proposed
65 tax or increase in the property tax rate at an election held for that purpose on a date specified in
66 Section 20A-1-204; or

67 (iv) the proposed tax or increase in the property tax rate is first approved by at least
68 two-thirds of the legislative bodies of:

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

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

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

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

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

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

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

83 (a) Title 17B, Chapter 2a, Part 6, Metropolitan Water District Act;

84 (b) Title 17B, Chapter 2a, Part 10, Water Conservancy District Act; or

85 (c) a local district in which:

86 (i) the board of trustees consists solely of:

87 (A) land owners or the land owners' agents; or

88 (B) as described in Subsection 17B-1-302(1)(c), land owners or the land owners' agents
89 or officers; and

90 (ii) there are no residents within the local district at the time a property tax is levied.

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

92 **17B-2a-1009. Limit on property tax authority -- Exceptions.**

93 (1) As used in this section, "elected official" means a water conservancy district board
94 of trustee member who:

95 (a) is elected to the board of trustees by water conservancy district voters at an election
96 held for that purpose; or

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

100 ~~[(c)]~~ (b) is appointed in accordance with Subsection 17B-1-303(5) or 17B-1-306(4)(f)
101 or (g).

102 (2) The board of trustees of a water conservancy district may not collect property tax
103 revenue ~~[in a tax year beginning on or after January 1, 2015,]~~ that would exceed the certified
104 tax rate under Section 59-2-924 ~~[unless]:~~

105 (a) in a tax year beginning on or after January 1, 2015, unless:

106 ~~[(a)]~~ (i) the members of the board of trustees are all elected officials;

107 ~~[(b)]~~ (ii) the majority of the board of trustees are elected officials; or

108 ~~[(c)]~~ (iii) the proposed tax levy has previously been approved by:

109 ~~[(i)]~~ (A) a majority of the water conservancy district voters at an election held for that
110 purpose on a date specified in Section 20A-1-204; or

111 ~~[(ii)]~~ (B) for a district described in Subsection 17B-2a-1005(2)(b), the appointing
112 authority~~[-];~~ or

113 (b) in a tax year beginning on or after January 1, 2017, unless:

114 (i) the members of the board of trustees are all elected officials; or

115 (ii) the proposed tax levy was previously approved by a majority of the water
116 conservancy district voters at an election held for that purpose on a date specified in Section
117 20A-1-204.

118 Section 3. **Effective date.**

119

This bill takes effect on January 1, 2017.