

**GOVERNMENT BONDING AMENDMENTS**

2011 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Benjamin M. McAdams**

House Sponsor: Derek E. Brown

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**LONG TITLE**

**General Description:**

This bill amends provisions authorizing a political subdivision to issue a bond.

**Highlighted Provisions:**

This bill:

- ▶ amends bond provisions of the Interlocal Cooperation Act, including authorizing an interlocal entity to delegate certain authority related to a bond;

- ▶ amends provisions of the Local Government Bonding Act, including authorizing a local government to delegate certain authority related to a bond;

- ▶ amends provisions requiring a governing body to publish notice of a bond;

- ▶ amends provisions of the Utah Industrial Facilities and Development Act, including authorizing a governing body to delegate certain authority related to a bond;

- ▶ amends provisions of the Utah Refunding Bonding Act, including authorizing a governing body to delegate certain authority related to a bond;

- ▶ amends provisions of the Assessment Area Act, including authorizing a local entity to delegate certain authority related to a bond; and

- ▶ makes technical corrections.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides an immediate effective date.

**Utah Code Sections Affected:**

AMENDS:

- 30 11-13-218, as renumbered and amended by Laws of Utah 2002, Chapter 286
- 31 11-14-302, as last amended by Laws of Utah 2010, Chapter 378
- 32 11-14-316, as last amended by Laws of Utah 2009, Chapter 388
- 33 11-17-4.6, as enacted by Laws of Utah 1985, Chapter 128
- 34 11-17-16, as last amended by Laws of Utah 2009, Chapter 388
- 35 11-27-3, as last amended by Laws of Utah 2005, Chapter 105
- 36 11-27-4, as last amended by Laws of Utah 2009, Chapter 388
- 37 11-42-605, as last amended by Laws of Utah 2009, Chapter 246



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

40 Section 1. Section 11-13-218 is amended to read:

41 **11-13-218. Authority of public agencies or interlocal entities to issue bonds.**

42 (1) A public agency may, in the same manner as it may issue bonds for its individual  
43 acquisition of a facility or improvement or for constructing, improving, or extending a facility  
44 or improvement, issue bonds to:

45 (a) acquire an interest in a jointly owned facility or improvement, a combination of a  
46 jointly owned facility or improvement, or any other facility or improvement; or

47 (b) pay all or part of the cost of constructing, improving, or extending a jointly owned  
48 facility or improvement, a combination of a jointly owned facility or improvement, or any other  
49 facility or improvement.

50 (2) (a) An interlocal entity may issue bonds or notes under a resolution, trust indenture,  
51 or other security instrument for the purpose of financing its facilities or improvements.

52 (b) The bonds or notes may be sold at public or private sale, mature at such times and  
53 bear interest at such rates, and have such other terms and security as the entity determines.

54 (c) Such bonds are not a debt of any public agency that is a party to the agreement.

55 (3) The governing body, as defined in Section 11-13-219, of an interlocal entity may,  
56 by resolution, delegate to one or more officers of the interlocal entity or to a committee of  
57 designated members of the governing body the authority to:

58 (a) in accordance with and within the parameters set forth in the resolution, approve the  
59 final interest rate, price, principal amount, maturity, redemption features, or other terms of a  
60 bond or note; and

61 (b) approve and execute all documents relating to the issuance of the bond or note.

62 ~~[(3)]~~ (4) Bonds and notes issued under this chapter are declared to be negotiable  
63 instruments and their form and substance need not comply with the Uniform Commercial  
64 Code.

65 Section 2. Section **11-14-302** is amended to read:

66 **11-14-302. Resolution -- Negotiability -- Registration -- Maturity -- Interest --**  
67 **Payment -- Redemption -- Combining issues -- Sale -- Financing plan.**

68 (1) (a) Bonds issued under this chapter:

69 (i) shall:

70 (A) be authorized by resolution of the governing body~~[-, shall];~~

71 (B) be fully negotiable for all purposes~~[-, may be made registrable as to principal alone~~  
72 ~~or as to principal and interest, shall];~~

73 (C) mature at such time or times not more than 40 years from their date~~[-, shall];~~

74 (D) bear interest at such rate or rates, if any~~[-, shall];~~

75 (E) be payable at such place or places~~[-, shall];~~

76 (F) be in such form~~[-, shall];~~

77 (G) be executed in such manner~~[-, may be made redeemable prior to maturity at such~~  
78 ~~times and on such terms, shall];~~

79 (H) be sold in such manner and at such prices, either at, in excess of, or below face  
80 value~~[-, and generally shall];~~ and

81 (I) be issued in such manner and with such details as may be provided by resolution; ~~[it~~  
82 ~~being the express intention of the legislature that interest]~~ and

83 (ii) may be made:

84 (A) registrable as to principal alone or as to principal and interest; or

85 (B) redeemable prior to maturity at such times and on such terms.

86           **(b)** Interest rate limitations elsewhere appearing in the laws of Utah do not apply to nor  
87 limit the rate of interest on bonds issued under this chapter. [~~The resolution shall specify either~~  
88 ~~the rate or rates of interest, if any, on the bonds or specify the method]~~

89           **(2) (a)** If the bonds bear interest at a variable rate or rates, the resolution described in  
90 Subsection (1)(a)(i)(A) shall provide for the establishment of a method or methods by which  
91 the interest rate or rates on the bonds may be determined [~~while the bonds are outstanding~~].

92           **(b)** If the resolution specifies a method by which interest on the bonds may be  
93 determined, the resolution shall also specify the maximum rate of interest the bonds may bear.

94           **(c)** Bonds voted for different purposes by separate propositions at the same or different  
95 bond elections may in the discretion of the governing body be combined and offered for sale as  
96 one issue of bonds.

97           **(d)** The resolution providing for this combination and the printed bonds for the  
98 combined issue shall separately set forth the amount being issued for each of the purposes  
99 provided for in each proposition submitted to the electors.

100           **(e)** If the local political subdivision has retained a fiscal agent to assist and advise it  
101 with respect to the bonds and the fiscal agent has received or is to receive a fee for such  
102 services, the bonds may be sold to the fiscal agent but only if the sale is made pursuant to a  
103 sealed bid submitted by the fiscal agent at an advertised public sale.

104           **(f)** The governing body may, by resolution, delegate to one or more officers of the local  
105 political subdivision the authority to:

106           **(i)** in accordance with and within the parameters set forth in the resolution, approve the  
107 final interest rate or rates, price, principal amount, maturity or maturities, redemption features,  
108 and other terms of the bond; and

109           **(ii)** approve and execute all documents relating to the issuance of a bond.

110           ~~[(2)]~~ **(3) (a) (i)** All bonds shall be paid by the treasurer of the local political subdivision  
111 or the treasurer's duly authorized agent on their respective maturity dates or on the dates fixed  
112 for the bonds redemption.

113           **(ii)** All bond coupons, other than coupons cancelled because of the redemption of the

114 bonds to which they apply, shall similarly be paid on their respective dates or as soon thereafter  
115 as the bonds or coupons are surrendered.

116 (b) Upon payment of a bond or coupon, the treasurer of the local political subdivision  
117 or the treasurer's duly authorized agent, shall perforate the bond or coupon with a device  
118 suitable to indicate payment.

119 (c) Any bonds or coupons which have been paid or cancelled may be destroyed by the  
120 treasurer of the local political subdivision or by the treasurer's duly authorized agent.

121 [~~3~~] (4) (a) Bonds, bond anticipation notes, or tax anticipation notes with maturity  
122 dates of one year or less may be authorized by a local political subdivision from time to time  
123 pursuant to a plan of financing adopted by the governing body.

124 (b) The plan of financing shall specify the terms and conditions under which the bonds  
125 or notes may be issued, sold, and delivered, the officers of the local political subdivision  
126 authorized to issue the bonds or notes, the maximum amount of bonds or notes which may be  
127 outstanding at any one time, the source or sources of payment of the bonds or notes, and all  
128 other details necessary for issuance of the bonds or notes.

129 (c) Subject to the Constitution, the governing body of the local political subdivision  
130 may include in the plan of financing the terms and conditions of agreements which may be  
131 entered into by the local political subdivision with banking institutions for letters of credit or  
132 for standby letters of credit to secure the bonds or notes, including payment from any legally  
133 available source of fees, charges, or other amounts coming due under the agreements entered  
134 into by the local political subdivision.

135 Section 3. Section **11-14-316** is amended to read:

136 **11-14-316. Publication of notice, resolution, or other proceeding -- Contest.**

137 (1) The governing body of any local political subdivision may provide for the  
138 publication of any resolution or other proceeding adopted under this chapter:

- 139 (a) in a newspaper having general circulation in the local political subdivision; and
- 140 (b) as required in Section 45-1-101.

141 (2) When publication involves a resolution or other proceeding providing for the

142 issuance of bonds, the governing body may, in lieu of publishing the entire resolution or other  
143 proceeding, publish a notice of bonds to be issued, titled as such, containing:

- 144 (a) the name of the issuer;
- 145 (b) the purpose of the issue;
- 146 (c) the type of bonds and the maximum principal amount which may be issued;
- 147 (d) the maximum number of years over which the bonds may mature;
- 148 (e) the maximum interest rate which the bonds may bear, if any;
- 149 (f) the maximum discount from par, expressed as a percentage of principal amount, at

150 which the bonds may be sold; [~~and~~]

151 (g) a general description of the security pledged for repayment of the bonds; and

152 [~~(g)~~] (h) the times and place where a copy of the resolution or other proceeding may be  
153 examined, which shall be:

- 154 (i) at an office of the issuer;
- 155 (ii) identified in the notice;
- 156 (iii) during regular business hours of the issuer as described in the notice; and
- 157 (iv) for a period of at least 30 days after the publication of the notice.

158 (3) For a period of 30 days after the publication, any person in interest may contest:

- 159 (a) the legality of such resolution or proceeding;
- 160 (b) any bonds which may be authorized by such resolution or proceeding; or
- 161 (c) any provisions made for the security and payment of the bonds.

162 (4) A person shall contest the matters set forth in Subsection (3) by filing a verified  
163 written complaint in the district court of the county in which he resides within the 30-day  
164 period.

165 (5) After the 30-day period, no person may contest the regularity, formality, or legality  
166 of the resolution or proceeding for any reason.

167 Section 4. Section **11-17-4.6** is amended to read:

168 **11-17-4.6. Bonds -- Terms specified by governing body.**

169 The proceedings of the governing body under which the bonds are authorized to be

170 issued may:

171 (1) ~~[specify either the rate of interest on the bonds or]~~ if the bonds bear interest at a  
172 variable rate or rates, specify the ~~[method, formula]~~ methods, formulas, or indices by which [a  
173 ~~variable]~~ the interest rate or rates on the bonds may be determined [~~while the bonds are~~  
174 ~~outstanding; and~~];

175 (2) specify the terms and conditions under which the bonds may be issued, sold, and  
176 delivered, the officer of the issuing municipality, county, or state university responsible for the  
177 issuance, execution, and delivery of the bonds, the maximum amount of bonds which may be  
178 outstanding at any one time, the source of payment of the bonds, which may include the  
179 proceeds of refunding bonds issued under this chapter, and all other details necessary or  
180 appropriate for the issuance of bonds not inconsistent with this chapter[-]; and

181 (3) delegate, by resolution, to one or more officers of the issuing municipality, county,  
182 or state university the authority to:

183 (a) in accordance with and within the parameters set forth in the resolution, approve the  
184 final interest rate or rates, price, principal amount, maturity or maturities, redemption features,  
185 and other terms of the bond; and

186 (b) approve and execute all documents relating to the issuance of the bonds.

187 Section 5. Section **11-17-16** is amended to read:

188 **11-17-16. Publication of resolutions and notice of bonds to be issued.**

189 (1) (a) The governing body may provide for the publication of any resolution or other  
190 proceeding adopted by it under this chapter, including all resolutions providing for the sale or  
191 lease of any land by the municipality, county, or state university in connection with the  
192 establishment, acquisition, development, maintenance, and operation of an industrial park.

193 (b) (i) The publication shall be:

194 (A) in a newspaper qualified to carry legal notices having general circulation in the  
195 municipality or county; or

196 (B) in the case of a state university, in a newspaper of general circulation in the county  
197 within which the principal administrative office of the state university is located; and

198 (ii) as required in Section 45-1-101.

199 (2) In case of a resolution or other proceeding providing for the issuance of bonds, the  
200 governing body may, in lieu of publishing the entire resolution or other proceeding, publish a  
201 notice of bonds to be issued, titled as such, containing:

202 (a) the name of the issuer;

203 (b) the purpose of the issue;

204 (c) the name of the users, if known; [~~and~~]

205 (d) the maximum principal amount which may be issued;

206 (e) the maximum number of years over which the bonds may mature; and

207 [~~(f)~~] (f) the times and place where a copy of the resolution or other proceeding may be  
208 examined, which shall be at an office of the issuer, identified in the notice, during regular  
209 business hours of the issuer as described in the notice and for a period of at least 30 days after  
210 the publication of the notice.

211 (3) For a period of 30 days after publication any person in interest may contest the  
212 legality of the resolution, proceeding, any bonds which may be authorized under them, or any  
213 provisions made for the security and payment of the bonds. After expiration of the 30-day  
214 period no person may contest the regularity, formality, or legality of the resolution,  
215 proceedings, bonds, or security provisions for any cause.

216 Section 6. Section 11-27-3 is amended to read:

217 **11-27-3. Action by resolution of governing body -- Purposes for bond issue --**  
218 **Exchange or sale -- Interest rate limitations inapplicable -- Principal amount --**  
219 **Investment of proceeds -- Safekeeping and application of proceeds -- Computing**  
220 **indebtedness -- Payment of bonds -- Combination issues -- Laws applicable to issuance --**  
221 **Payment from taxes or pledged revenues.**

222 (1) Any formal action taken by the governing body of a public body under the authority  
223 of this chapter may be taken by resolution of that governing body.

224 (2) (a) The governing body of any public body may by resolution provide for the  
225 issuance of refunding bonds to refund outstanding bonds issued by the public body or its



226 predecessor, either prior to or after the effective date of this chapter, only:

227 (i) to pay or discharge all or any part of any outstanding series or issue of bonds,  
228 including applicable interest, in arrears or about to become due and for which sufficient funds  
229 are not available;

230 (ii) to achieve a savings; or

231 (iii) to achieve another objective that the governing body finds to be beneficial to the  
232 public body.

233 (b) Any refunding bonds may be delivered in exchange for the outstanding bonds being  
234 refunded or may be sold in a manner, at terms, with details, and at a price above, at, or below  
235 par as the governing body determines advisable. The refunding bonds may be issued without  
236 an election, unless an election is required by the Utah Constitution.

237 (c) The governing body may, by resolution, delegate to one or more officers of the  
238 local political subdivision the authority to:

239 (i) in accordance with and within the parameters set forth in the resolution, approve the  
240 final interest rate or rates, price, principal amount, maturity or maturities, redemption features,  
241 and other terms of the bond; and

242 (ii) approve and execute all documents relating to the issuance of a bond.

243 [~~(c)~~] (d) It is the express intention of the Legislature that interest rate limitations  
244 elsewhere appearing in the laws of the state not apply to nor limit the rates of interest borne by  
245 refunding bonds.

246 (3) Advance refunding bonds may be issued in a principal amount in excess of the  
247 principal amount of the bonds to be refunded as determined by the governing body. This  
248 amount may be equal to the full amount required to pay the principal of, interest on, and  
249 redemption premiums, if any, due in connection with the bonds to be refunded to and including  
250 their dates of maturity or redemption in accordance with the advance refunding plan adopted by  
251 the governing body, together with all costs incurred in accomplishing this refunding. The  
252 principal amount of refunding bonds may be less than or the same as the principal amount of  
253 the bonds being refunded so long as provision is duly and sufficiently made for the retirement

254 or redemption of the bonds to be refunded. Any reserves held or taxes levied or collected to  
255 secure the bonds to be refunded may be applied to the redemption or retirement of the bonds,  
256 or otherwise, as the governing body may determine.

257 (4) Prior to the application of the proceeds derived from the sale of advance refunding  
258 bonds to the purposes for which the bonds have been issued, these proceeds, together with any  
259 other legally available funds, including reserve funds, may be invested and reinvested only in  
260 government obligations maturing at such times as may be required to provide funds sufficient  
261 to pay principal of, interest on, and redemption premiums, if any, due in connection with the  
262 bonds to be refunded or the advance refunding bonds, or both, in accordance with the advance  
263 refunding plan. To the extent incidental expenses have been capitalized, these bond proceeds  
264 may be used to defray these expenses.

265 (5) The governing body may contract regarding the safekeeping and application of the  
266 proceeds of sale of advance refunding bonds and other funds included with them and the  
267 income from them, including the right to appoint a trustee, which may be any trust company or  
268 state or national bank having powers of a trust company inside or outside the state. The  
269 governing body may provide in the advance refunding plan that until such monies are required  
270 to redeem or retire the bonds to be refunded, the advance refunding bond proceeds and other  
271 funds, and the income from them, shall be used to pay and secure payment of principal of,  
272 interest on, and redemption premiums, if any, due in connection with all or a portion of the  
273 advance refunding bonds or the bonds being refunded, or both.

274 (6) In computing indebtedness for the purpose of any applicable constitutional or  
275 statutory debt limitation, there shall be deducted from the amount of outstanding indebtedness  
276 the principal amount of outstanding general obligation bonds for the payment of which there  
277 has been dedicated and deposited in escrow government obligations, the principal of or interest  
278 on which, or both, will be sufficient to provide for the payment of these general obligation  
279 bonds as to principal, interest, and redemption premiums, if any, when due at maturity or upon  
280 some earlier date upon which the bonds have been called for redemption in accordance with  
281 their terms.

282 (7) When a public body has irrevocably set aside for and pledged to the payment of  
283 bonds to be refunded proceeds of advance refunding bonds and other monies in amounts  
284 which, together with known earned income from their investment, will be sufficient in amount  
285 to pay the principal of, interest on, and any redemption premiums due on the bonds to be  
286 refunded as the same become due and to accomplish the refunding as scheduled, the refunded  
287 bonds shall be considered duly paid and discharged for the purpose of any applicable  
288 constitutional or statutory debt limitation.

289 (8) Refunding bonds and bonds issued for any other purpose may be issued separately  
290 or issued in combination in one or more series or issues by the same issuer.

291 (9) Except as specifically provided in this section, refunding bonds issued under this  
292 chapter shall be issued in accordance with the provisions of law applicable to the type of bonds  
293 of the issuer being refunded in effect either at the time of the issuance of the refunding bonds  
294 or at the time of issuance of the bonds to be refunded. Refunding bonds and coupons, if any,  
295 pertaining to them may bear facsimile signatures as provided in Section 11-14-304.

296 (10) Refunding bonds may be made payable from any taxes or pledged revenues, or  
297 both, or any assessments, special improvement guaranty funds, or other funds which might be  
298 legally pledged for the payment of the bonds to be refunded at the time of the issuance of the  
299 refunding bonds or at the time of the issuance of the bonds to be refunded, as the governing  
300 body may determine.

301 Section 7. Section **11-27-4** is amended to read:

302 **11-27-4. Publication of resolution -- Notice of bond issue -- Contest of resolution**  
303 **or proceeding.**

304 (1) The governing body of any public body may provide for the publication of any  
305 resolution or other proceeding adopted by it under this chapter:

306 (a) in a newspaper having general circulation in the public body; and

307 (b) as required in Section 45-1-101.

308 (2) In case of a resolution or other proceeding providing for the issuance of refunding  
309 bonds (or for a combined issue of refunding bonds and bonds issued for any other purpose), the

310 governing body may, instead of publishing the entire resolution or other proceeding, publish a  
311 notice of bonds to be issued, entitled accordingly, and containing:

- 312 (a) the name of the issuer;
- 313 (b) the purposes of the issue;
- 314 (c) the maximum principal amount which may be issued;
- 315 (d) the maximum number of years over which the bonds may mature;
- 316 (e) the maximum interest rate which the bonds may bear;
- 317 (f) the maximum discount from par, expressed as a percentage of principal amount, at  
318 which the bonds may be sold~~[, and any deposit to be required in connection with the sale, and];~~

319 (g) a general description of the security pledged for repayment of the bonds; and  
320 ~~[(g)]~~ (h) the times and place where a copy of the resolution or other proceeding  
321 authorizing the issuance of the bonds may be examined, which shall be at an office of the  
322 governing body identified in the notice, during regular business hours of the governing body as  
323 described in the notice and for a period of at least 30 days after the publication of the notice.

324 (3) For a period of 30 days after the publication, any person in interest shall have the  
325 right to contest the legality of the resolution or proceeding or any bonds which may be so  
326 authorized or any provisions made for the security and payment of these bonds; and after this  
327 time no person shall have any cause of action to contest the regularity, formality, or legality  
328 thereof for any cause.

329 Section 8. Section **11-42-605** is amended to read:

330 **11-42-605. Local entity may authorize the issuance of assessment bonds -- Limit**  
331 **on amount of bonds -- Features of assessment bonds.**

332 (1) After the 25-day prepayment period under Subsection 11-42-411(6) has passed or,  
333 if the 25-day prepayment period is waived under Section 11-42-104, after the assessment  
334 resolution or ordinance takes effect, a local entity may authorize the issuance of bonds to pay  
335 the costs of improvements in an assessment area, and other related costs, against the funds that  
336 the local entity will receive because of an assessment in an assessment area.

337 (2) A local entity may, by resolution or ordinance, delegate to one or more officers of

338 the issuer the authority to:

339 (a) in accordance with and within the parameters set forth in the resolution or  
340 ordinance, approve the final interest rate or rates, price, principal amount, maturity or  
341 maturities, redemption features, and other terms of the bond; and

342 (b) approve and execute all documents relating to the issuance of a bond.

343 [~~2~~] (3) The aggregate principal amount of bonds authorized under Subsection (1) may  
344 not exceed the unpaid balance of assessments at the end of the 25-day prepayment period under  
345 Subsection 11-42-411(6).

346 [~~3~~] (4) Assessment bonds issued under this section:

347 (a) are fully negotiable for all purposes;

348 (b) shall mature at a time that does not exceed the period that installments of  
349 assessments in the assessment area are due and payable, plus one year;

350 (c) shall bear interest at the lowest rate or rates reasonably obtainable;

351 (d) may not be dated earlier than the effective date of the assessment ordinance;

352 (e) shall be payable at the place, shall be in the form, and shall be sold in the manner  
353 and with the details that are provided in the resolution authorizing the issuance of the bonds;

354 (f) shall be issued in registered form as provided in Title 15, Chapter 7, Registered  
355 Public Obligations Act; and

356 (g) provide that interest be paid semiannually, annually, or at another interval as  
357 specified by the governing body.

358 [~~4~~] (5) (a) A local entity may:

359 (i) (A) provide that assessment bonds be callable for redemption before maturity; and

360 (B) fix the terms and conditions of redemption, including the notice to be given and  
361 any premium to be paid;

362 (ii) subject to Subsection [~~4~~] (5)(b), require assessment bonds to bear interest at a  
363 fixed or variable rate, or a combination of fixed and variable rates;

364 (iii) specify terms and conditions under which:

365 (A) assessment bonds bearing interest at a variable interest rate may be converted to

366 bear interest at a fixed interest rate; and

367 (B) the local entity agrees to repurchase the bonds;

368 (iv) engage a remarketing agent and indexing agent, subject to the terms and conditions  
369 that the governing body agrees to; and

370 (v) include all costs associated with assessment bonds, including any costs resulting  
371 from any of the actions the local entity is authorized to take under this section, in an assessment  
372 levied under Section 11-42-401.

373 (b) If assessment bonds carry a variable interest rate, the local entity shall specify:

374 (i) the basis upon which the variable rate is to be determined over the life of the bonds;

375 (ii) the manner in which and schedule upon which the rate is to be adjusted; and

376 (iii) a maximum rate that the bonds may carry.

377 [~~5~~] (6) (a) Nothing in this part may be construed to authorize the issuance of  
378 assessment bonds to pay for the cost of ordinary repairs to pavement, sewers, drains, curbing,  
379 gutters, or sidewalks.

380 (b) Notwithstanding Subsection [~~5~~] (6)(a), a local entity may issue assessment bonds  
381 to pay for extraordinary repairs to pavement, sewers, drains, curbing, gutters, or sidewalk.

382 (c) A local entity's governing body may define by resolution or ordinance what  
383 constitutes ordinary repairs and extraordinary repairs for purposes of this Subsection [~~5~~] (6).

384 (d) Nothing in this Subsection [~~5~~] (6) may be construed to limit a local entity from  
385 levying an assessment within an assessment area to pay operation and maintenance costs as  
386 described in a notice under Section 11-42-402.

387 [~~6~~] (7) If a local entity has issued interim warrants under Section 11-42-601 or bond  
388 anticipation notes under Section 11-42-602 in anticipation of assessment bonds that the local  
389 entity issues under this part, the local entity shall provide for the retirement of the interim  
390 warrants or bond anticipation notes contemporaneously with the issuance of the assessment  
391 bonds.

392 Section 9. **Effective date.**

393 If approved by two-thirds of all the members elected to each house, this bill takes effect

394 upon approval by the governor, or the day following the constitutional time limit of Utah  
395 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,  
396 the date of veto override.