

1 **LOCAL SCHOOL BOARD BOND AMENDMENTS**

2 2014 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Daniel McCay**

5 Senate Sponsor: Howard A. Stephenson

7 **LONG TITLE**

8 **General Description:**

9 This bill amends provisions related to local school board bond issuances.

10 **Highlighted Provisions:**

11 This bill:

12 ▶ requires a local school board to:

13 • include a plan of finance in the voter information pamphlet for a bond election;
14 • ensure that the bond proceeds are used to complete projects in accordance with
15 the plan of finance; and

16 • post on the local school board's website certain information related to the plan
17 of finance and the status of the projects;

18 ▶ subject to certain conditions, including the approval of two-thirds of the local
19 school board, provides that a local school board may adjust the plan of finance for a
20 bond that has been authorized by an election; and

21 ▶ provides a remedy for a registered voter if a local school board adjusts the plan of
22 finance without obtaining the necessary local school board approval.

23 **Money Appropriated in this Bill:**

24 None

25 **Other Special Clauses:**

26 None

27 **Utah Code Sections Affected:**

28 AMENDS:

29 11-14-202, as last amended by Laws of Utah 2012, Chapter 334

30 **53A-18-102**, as last amended by Laws of Utah 2005, Chapter 105



31
32 *Be it enacted by the Legislature of the state of Utah:*

33 Section 1. Section **11-14-202** is amended to read:

34 **11-14-202. Notice of election -- Contents -- Publication -- Mailing.**

35 (1) The governing body shall ensure that notice of the election is provided:

36 (a) once per week during three consecutive weeks by publication in a newspaper

37 having general circulation in the local political subdivision in accordance with Section

38 **11-14-316**, the first publication occurring not less than 21 nor more than 35 days before the

39 election;

40 (b) on a website, if available, in accordance with Section **45-1-101** for the three weeks

41 that immediately precede the election; and

42 (c) in a local political subdivision where there is no newspaper of general circulation,

43 by posting notice of the bond election in at least five public places in the local political

44 subdivision at least 21 days before the election.

45 (2) When the debt service on the bonds to be issued will increase the property tax

46 imposed upon the average value of a residence by an amount that is greater than or equal to \$15

47 per year, the governing body shall prepare and mail either a voter information pamphlet or a

48 notification described in Subsection (6):

49 (a) at least 15 days but not more than 45 days before the bond election;

50 (b) to each household containing a registered voter who is eligible to vote on the

51 bonds; and

52 (c) that includes the information required by Subsections (3) and (4).

53 (3) The notice and voter information pamphlet required by this section shall include:

54 (a) the date and place of the election;

55 (b) the hours during which the polls will be open; and

56 (c) the title and text of the ballot proposition.

57 (4) The voter information pamphlet required by this section shall include:

- 58 (a) the information required by Subsection (3); and
- 59 (b) an explanation of the property tax impact, if any, of the issuance of the bonds,
- 60 which may be based on information the governing body determines to be useful, including:
- 61 (i) expected debt service on the bonds to be issued;
- 62 (ii) a description of the purpose, remaining principal balance, and maturity date of any
- 63 outstanding general obligation bonds of the issuer;
- 64 (iii) funds other than property taxes available to pay debt service on general obligation
- 65 bonds;
- 66 (iv) timing of expenditures of bond proceeds;
- 67 (v) property values; and
- 68 (vi) any additional information that the governing body determines may be useful to
- 69 explain the property tax impact of issuance of the bonds.
- 70 (5) The governing body shall pay the costs associated with the notice required by this
- 71 section.
- 72 (6) (a) The governing body may mail a notice printed on a postage prepaid,
- 73 preaddressed return form that a person may use to request delivery of a voter information
- 74 pamphlet by mail.
- 75 (b) The notice described in Subsection (6)(a) shall include:
- 76 (i) the website upon which the voter information pamphlet is available; and
- 77 (ii) the phone number a voter may call to request delivery of a voter information
- 78 pamphlet by mail.
- 79 (7) A local school board shall comply with the voter information pamphlet
- 80 requirements described in Section [53A-18-102](#).
- 81 Section 2. Section **53A-18-102** is amended to read:
- 82 **53A-18-102. Additional indebtedness -- Election -- Voter information pamphlet.**
- 83 (1) As used in this section:
- 84 (a) "Qualifying general obligation bond" means a bond:
- 85 (i) issued pursuant to Title 11, Chapter 14, Local Government Bonding Act; and

86 (ii) authorized by an election held on or after July 1, 2014.

87 (b) "Voter information pamphlet" means the notification required by Section
88 11-14-202.

89 (2) A local school board may require the qualified electors of the district to vote on a
90 proposition as to whether to incur indebtedness, subject to conditions provided in Title 11,
91 Chapter 14, Local Government Bonding Act, [~~under the following circumstances~~] if:

92 ~~[(1) if]~~ (a) the debts of the district are equal to school taxes and other estimated
93 revenues for the school year, and it is necessary to create and incur additional indebtedness in
94 order to maintain and support schools within the district; or

95 ~~[(2)]~~ (b) the local school board determines it advisable to issue school district bonds to
96 purchase school sites, buildings, or furnishings or to improve existing school property.

97 (3) A local school board shall specify, in the voter information pamphlet for a bond
98 election, a plan of finance, including:

99 (a) the specific project or projects for which a bond is to be issued; and

100 (b) a priority designation for each project.

101 (4) Except as provided in Subsection (5), a local school board shall ensure that
102 qualifying general obligation bond proceeds are used to complete projects in accordance with
103 the plan of finance described in Subsection (3).

104 (5) (a) After distribution to the public of the voter information pamphlet, with
105 two-thirds majority approval of the local school board, a local school board may upon a
106 determination of compelling circumstances adjust the plan of finance described in Subsection
107 (3) by:

108 (i) changing the priority designation of a project;

109 (ii) adding a project that was not listed in the voter information pamphlet; or

110 (iii) removing a project that was listed in the voter information pamphlet.

111 (b) A local school board may not vote on more than one adjustment described in
112 Subsection (5)(a) per meeting.

113 (6) For a qualifying general obligation bond, a local school board shall post on the

114 local school board's website:

115 (a) the plan of finance as described in the voter information pamphlet; and

116 (b) a progress report detailing the status of the projects listed in the plan of finance,

117 including:

118 (i) the status of any construction contracts related to a project;

119 (ii) the bid amount;

120 (iii) the estimated and actual construction start date;

121 (iv) the estimated and actual construction end date; and

122 (v) the final cost.

123 (7) (a) If a local school board violates Subsection (4), a registered voter in the school

124 district may file an action for an extraordinary writ to prohibit the local school board from

125 adjusting the plan of finance without obtaining the necessary local school board approval.

126 (b) If a registered voter prevails in an action under Subsection (7)(a), the court shall

127 award reasonable costs and attorney fees to the registered voter.

128 (c) The action described in Subsection (7)(a) may not be used to challenge the validity

129 of a bond.