

Effective 5/3/2023

17B-1-1003 Trustee reporting requirement.

(1) As used in this section:

- (a) "Appointed board of trustees" means a board of trustees of a special district that includes a member who is appointed to the board of trustees in accordance with Section 17B-1-304, Subsection 17B-1-303(5), Subsection 17B-1-306(5)(h), or any of the applicable provisions in Title 17B, Chapter 2a, Provisions Applicable to Different Types of Special Districts.
- (b)
 - (i) "Bond issuance" means an issuance of a general obligation bond without an approving election under Section 17B-1-1102.
 - (ii) "Bond issuance" does not include the issuance of a general obligation bond to refund a general obligation bond that was previously approved by an election.
- (c) "Legislative entity" means:
 - (i) the member's appointing authority, if the appointing authority is a legislative body; or
 - (ii) the member's nominating entity, if the appointing authority is not a legislative body.
- (d)
 - (i) "Member" means an individual who is appointed to a board of trustees for a special district in accordance with Section 17B-1-304, Subsection 17B-1-303(5), Subsection 17B-1-306(5)(h), or any of the applicable provisions in Title 17B, Chapter 2a, Provisions Applicable to Different Types of Special Districts.
 - (ii) "Member" includes a member of the board of trustees who holds an elected position with a municipality, county, or another special district that is partially or completely included within the boundaries of the special district.
- (e) "Nominating entity" means the legislative body that submits nominees for appointment to the board of trustees to an appointing authority.
- (f)
 - (i) "Property tax increase" means a property tax levy that exceeds the certified tax rate for the taxable year.
 - (ii) "Property tax increase" does not include a property tax levy for a general obligation bond authorized in accordance with an election under Section 17B-1-1102.

(2)

- (a) If a special district board of trustees adopts a tentative budget that includes a property tax increase or bond issuance, each member shall report to the member's legislative entity on the property tax increase or bond issuance.
- (b)
 - (i) The special district shall request that each of the legislative entities that appoint or nominate a member to the special district's board of trustees hear the report required by Subsection (2)(a) at a public meeting of each legislative entity.
 - (ii) The request to make a report may be made by:
 - (A) the member appointed or nominated by the legislative entity; or
 - (B) another member of the board of trustees.
- (c) The member appointed or nominated by the legislative entity shall make the report required by Subsection (2)(a) at a public meeting that:
 - (i) complies with Title 52, Chapter 4, Open and Public Meetings Act;
 - (ii) includes the report as a separate agenda item; and
 - (iii) is held within 40 days after the day on which the legislative entity receives a request to hear the report.
- (d)

- (i) If the legislative entity does not have a scheduled meeting within 40 days after the day on which the legislative entity receives a request to hear the report required by Subsection (2)(a), the legislative entity shall schedule a meeting for that purpose.
 - (ii) If the legislative entity fails to hear the report at a public meeting that meets the criteria described in Subsection (2)(c), the trustee reporting requirements under this section shall be considered satisfied.
- (3)
 - (a) A report on a contemplated property tax increase or bond issuance at a legislative entity's public meeting under Subsection (2)(c) shall include:
 - (i) a statement that the special district intends to levy a property tax at a rate that exceeds the certified tax rate for the taxable year;
 - (ii) the dollar amount of and purpose for additional ad valorem tax revenue that would be generated by the proposed increase in the certified tax rate;
 - (iii) the approximate percentage increase in ad valorem tax revenue for the special district based on the proposed property tax increase; and
 - (iv) any other information requested by the legislative entity.
 - (b) A report on a bond issuance at a legislative entity's public meeting under Subsection (2)(c) shall include an explanation, as applicable, of:
 - (i) the property tax impact, if any, of the bond issuance;
 - (ii) the expected debt service related to the bond issuance;
 - (iii) the purpose, remaining principal balance, and maturity date of any outstanding bonds of the issuer;
 - (iv) the funds other than property taxes available to pay debt service related to the bond issuance;
 - (v) the schedule of proposed expenditures of bond proceeds;
 - (vi) property values;
 - (vii) any additional considerations that the appointed board of trustees determines may be useful to explain the impact to citizens resulting from the bond issuance; and
 - (viii) any other information requested by the legislative entity.
 - (c) At a meeting under Subsection (2)(c), the legislative entity shall:
 - (i) allow time during the meeting for comment from the legislative entity and members of the public on the property tax increase or bond issuance; and
 - (ii) express the legislative entity's sentiment regarding the contemplated property tax increase.
- (4)
 - (a) If more than one member is appointed to the board of trustees by the same legislative entity, a majority of the members appointed or nominated by the legislative entity shall be present to provide the report required by Subsection (2) and described in Subsection (3).
 - (b) The chair of the board of trustees shall appoint another member of the board of trustees to provide the report described in Subsection (3) to the legislative entity if:
 - (i) the member appointed or nominated by the legislative entity is unable or unwilling to provide the report at a public meeting that meets the requirements of Subsection (3)(a); and
 - (ii) the absence of the member appointed or nominated by the legislative entity results in:
 - (A) no member who was appointed or nominated by the legislative entity being present to provide the report; or
 - (B) an inability to comply with Subsection (4)(a).
- (5) A special district board of trustees may approve a property tax increase only after the conditions of this section have been satisfied or considered satisfied for each member of the board of trustees.

Amended by Chapter 15, 2023 General Session
Amended by Chapter 174, 2023 General Session