

## Memorandum

March 10, 2020

To: City Council

From: Dustin Fratto, Senior Management Analyst

Subject: Alta Canyon Special Service District (SSD), Expansion and Bonding

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### Expanding a special service district

It is the sole authority of the legislative body (City Council) of the municipality that created the SSD to expand the boundaries of the district. The legislative body cannot delegate this authority (Utah Code 17D-1-301) to the administrative control board (Alta Canyon Board). Expansion of the district would follow the same process required to create a SSD. That is, the municipality must:

1. Initiate the creation/expansion of a SSD by resolution of the legislative body (City Council) by resolution. The only other way the process can be initiated is through a petition filed with the legislative body and signed by 10% of voters and/or property owners within the boundaries of the proposed district.
2. Be noticed, have a public hearing, and have a public protest period of 60 days following the public hearing.
3. Adopt an ordinance creating (expanding) the district and file it with the lieutenant governor's office for approval.

The municipality may:

4. Levy a property tax.
  - a. Cannot be done until approved by lieutenant governor's office and approval is filed with the County Recorder.
  - b. Each property tax levy is subject to the prior approval of a majority of the registered voters of the SSD during an election for that purpose.
  - c. Following the same process of issuing a bond, as described in the second to last paragraph in this memo, the Council must adopt a resolution at least 75 days prior to the election in which the property tax levy is being presented to the voters.
  - d. If the voters elect to do so, then the governing body may levy the property tax

### Bonding

A SSD can issue general obligation bonds, revenue bonds, or guaranteed bonds. Prior to being issued general obligation bonds must be presented to and adopted by the

voters during an election. Revenue bonds may, but are not required to, be presented to the voters during an election. They can be adopted without voter approval. Guaranteed bonds must go through a more complicated process that includes the preparation of a report (including specs, costs, annual debt service, project completion date, etc.) that is submitted to the Governor's Office of Economic Development (GOED) for approval. If GOED approves the bonds, then they must be approved by voters during an election.

Should it be determined that issuance of a new bond for a SSD that requires a bond election is desirable, then the governing body shall, at least 75 days before the date of the election, approve a resolution submitting the question of the issuance of the bonds to the voters of the SSD. The bond election may be held on the same date as the regular general election, the municipal general election, or at a special election called specifically for the purpose of voting on the bond in question.

The governing body (City Council) is the only entity that can issue bonds payable from taxes (general obligation), including those for any SSD. However, the power to issue bonds not payable from taxes may be delegated to the administrative control board (Alta Canyon Board) by the governing body. In the case of the Alta Canyon Board this authority may or may not have been delegated to it by the City Council in 1981. Since we don't know if the authority was delegated to the board, I'd argue that we should act as if it wasn't.