

**Summary of Taxing Authority Changes
For Local Districts
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Prior to 2010

The Legislature created a number of independent special service districts, starting in 1907, which were given property taxing authority that could be exercised by either appointed, elected or a combination of appointed and elected trustees. Each of these local districts were subject to levying and collecting property tax pursuant to the provisions of Title 59, Chapter 2, Property Tax Act. For a number of years, various legislators attempted to curb or limit the taxing authority of local districts in a variety of legislative attempts. All failed. In 2009, Senator Bramble, started working with the local districts to define the problem causing concern to the legislators, developed workable solutions with the impacted parties and then in 2010, Senator Bramble sponsored and the legislature passed SB 172 a consensus bill bringing more accountability to the tax payers while preserving the ability of the local districts to raise the required revenue for their statutory responsibilities.

This summary looks at the details of Senator Bramble’s 2010 SB 172, and then provides comparisons to Senator Fillmore’s 2016 SB 235, which did not pass and Senator Fillmore’s 2017 SB, which is yet to be discussed in any legislative process.

2010 SB 172	2016 SB 235	2017 SB (Yet to be determined)
<p>17B-1-1000 (1) Taxing authority subject to Title 59, Chapter 2, Property Taxing Act.</p> <p>(2) Added “elected official” means (a) Trustees elected by voters, (b) Holds at the time of appointment an elected position with a city, county, or another local district within the district, or (c) Is appointed (17B-1-303(5), or 17B-1-306(4)(f) or (g).</p> <p>(3)(a) Beginning 1/1/2011, a local district may not levy or collect above the certified rate.</p>	<p>17B-1-1000 (1) Retains 2010 Title 59, Chapter 2, Property Taxing Act provision.</p> <p>(2) Deletes the “elected official” option. Then defines “elected official” as an elected trustee.</p> <p>(3)(a) After 1/1/2017, may not levy above certified rate.</p>	<p>17B-1-1000 (1) Deletes 2010 Subsections (1) & (2) eliminating the 2010 “Elected Official” option. Defines “directly elected official” to mean a trustee elected to the board. (2) Restates 2010 Title 59, Chapter 2, Property Taxing Act provision.</p> <p>(3)(a) After 1/1/2018, may not levy above the certified rate. Deletes the 2010 exemptions.</p>

<p>(3)(b) Exemptions if:</p> <ul style="list-style-type: none"> (i) Property tax revenue pledged before 1/1/2011 to pay for bonding and other obligations. (ii) Trustees are elected. (iii) Majority of trustees are elected officials from local governments within the district. (iv) Proposed tax has been approved by: <ul style="list-style-type: none"> (A) Majority of voters, or (B) Legislative body of appointing authority, or (C) Legislative body of: <ul style="list-style-type: none"> (I) majority of municipalities in the district, or (II) the county, if unincorporated county is part of the district. <p>(4)(a) Process to switch from an appointed board to an elected board.</p> <ul style="list-style-type: none"> (i) 2/3rds of appointed trustees vote to switch to elected board, and (ii) Legislative body of each municipality and or county that appoints a trustee approves the switch. <p>(b) A change to elected trustees may not shorten the existing term of appointed trustees.</p> <p>(5) Subsections (2), (3) & (4) do not apply to:</p> <ul style="list-style-type: none"> (a) Part 6, Metropolitan Water Districts, (b) Part 10, Water Conservancy Districts, <p>or</p> <ul style="list-style-type: none"> (c) Local Districts without residents. 	<p>(3)(b) Exemptions of 2010 are limited to the tax years 2010-2016.</p> <p>(c) After 1/1/2017 may exceed the certified rate if:</p> <ul style="list-style-type: none"> (i) Property tax is pledged for bonding obligations before 1/1/2017, (ii) Trustees are elected, (iii) Proposed tax increase has been approved by a majority of votes, or (iv) Proposed tax increase has been previously approved by 2/3rds of: <ul style="list-style-type: none"> (A) Municipalities in the District, and (B) Counties with unincorporated area in the district. <p>(4) Retains the 2010 process to switch from an appointed to an elected board.</p> <p>(5) Subsections (2), (3) & (4) do not apply to:</p> <ul style="list-style-type: none"> (a) Part 6, Metropolitan Water Districts, (b) Part 10, Water Conservancy Districts, <p>or</p> <ul style="list-style-type: none"> (c) Local Districts without residents. 	<p>(3)(b) May exceed certified rate if:</p> <ul style="list-style-type: none"> (i) Pledged to pay for bonding obligations before 1/1/2018, (ii) Trustees are elected, (iii) Proposed tax increase has been previously approved by a majority of voters, UCA 20A-1-204. (iv) Proposed tax increase has been previously approved by 2/3rds of: <ul style="list-style-type: none"> (A) Municipalities in the District, and (B) Counties with unincorporated area in the district. (c) Clarifies bonding has to be pledged before 1/1/2018. (d) Clarifies that 2/3rds requirement applies to the total municipalities and counties with in district. <p>(4) Retains the 2010 process to switch from an appointed to an elected board.</p> <p>(5) Subsections (1), (3) & (4) do not apply to:</p> <ul style="list-style-type: none"> (a) Part 6 Metropolitan Water Districts, (b) Part 10, Water Conservancy Districts, <p>or</p> <ul style="list-style-type: none"> (c) Local Districts without residents.
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17B-2a-604 (Metropolitan Districts)	17B-2a-604 (Metropolitan Districts)	17B-2a-604 (Metropolitan Districts)
<p>(1) Trustees are elected if provided in organizing petition.</p> <p>(2) Allows for Municipalities creating districts to appoint trustees</p> <p>(3) Provides a process to switch from an appointed board to an elected board which requires:</p> <ul style="list-style-type: none"> (i) 3/4ths of appointed trustee approve the switch to elected boards, and (ii) Approval of by each entity appointing a trustee to the board. <p>(4) Trustees are required to:</p> <ul style="list-style-type: none"> (a) Be a registered voter in the district, (b) Be a property tax payer, and (c) Be a resident of: <ul style="list-style-type: none"> (i) The District, and (ii) The retail service area of the District. <p>(5) Prohibits a trustee from holding an elected office or working for the city or district.</p> <p>(6) Term of office set by 17B-1-303.</p> <p>(7) Subsections (4), (5) & (6) do not apply to (2)(g)(ii).</p>	No change proposed.	No change proposed.
17B-2a-608 (Exceptions to Limits)	17B-2a-608	17B-2a-608
<p>(1) "Elected Official" means a trustee elected to the board.</p> <p>(2) After 1/1/2015 Board may not exceed certified rate unless:</p> <ul style="list-style-type: none"> (a) Trustees are elected, or (b) Proposed tax increase has been previously approved by: <ul style="list-style-type: none"> (i) Majority of voters at an election, or (ii) The legislative body of each 	No change proposed.	No change proposed.

municipality appointing a board member.		
17B-2a-905 Service area Board of Trustees	17B-2a-905	17B-2a-905
(1) Deleted a provision dealing with switch to an elected board to avoid conflict with new 17B-1-1000(4) noted above and removed the provision on the prohibition of shortening an appointed trustee's term to avoid conflict with the new 17B-1-1000(4)(b).	No change proposed.	No change proposed.
17B-2a-1005 Water Conservancy District	17B-2a-1005	17B-2a-1005
(1) Trustees shall be: (a) Elected as provided in organizing petition, (b) Appointed, or (c) Elected after a switch from appointed to an elected board. Also deleted the number of board members from previous (2) to a new position as (5). (2) & (3) no change to existing law. (4)(a) Added a provision to allow switch from appointed to elected board if: (i) 2/3rds of appointed trustees approve the switch to the elected board, and (ii) Legislative bodies of each municipality and or county appointing trustees approves the switch. (b) A change to an elected board may not shorten an appointed board member's term. (5) Board of trustees may not exceed: (a) 11 for single county districts, or (b) 21 for multiple county districts. (6) Vacancy of an elected trustee filled as provided in 17B-1-303.	No Change Proposed.	No Change Proposed.
17B-2a-1006 Limits on Property Tax	17B-2a-1006	17B-2a-1006

2010 SB 172 retained the existing tax limits for water conservancy districts.	No change proposed.	No change proposed.
17B-2a-1009 Exemptions for tax increase.	17B-2a-1009	17B-2a-1009
<p>(1) “Elected official” means:</p> <p>(a) An elected trustee,</p> <p>(b) Holds an elected position with a city, county or local district located within the district.</p> <p>(c) Appointed pursuant to 17 B-1-303 or 306.</p> <p>(2) The board may not exceed the certified rate unless:</p> <p>(a) Trustees are elected,</p> <p>(b) Majority of the Board are elected officials,</p> <p>(c) Proposed tax increase has been previously approved by:</p> <p>(i) Majority of voters, or</p> <p>(ii) In a single county district by the appointing authority.</p>	<p>(1) Deleted the “elected official option and limited the 2010 exemptions to the tax years, 2015 – 2016.</p> <p>(2)(a) The board may not exceed the certified rate after 1/1/2017.</p> <p>(b) The board may not exceed the certified rate unless:</p> <p>(i) Trustees are elected, or</p> <p>(ii) Proposed tax increase has been previously approved by majority of voters, UCA 20A-1-204.</p>	<p>(1) Deletes the “elected official” and the approval by the appointing authority options provided in 2010.</p> <p>(2) The Board may not exceed the certified rate after 1/1/18 unless:</p> <p>(a) Trustees are elected,</p> <p>(b) Proposed tax increase is approved by majority of voters at UCA 20A-1-204 election,</p> <p>(c) Proposed tax increase is approved by at least 2/3rds of the legislative bodies of:</p> <p>(i) The municipalities in the district,</p> <p>(ii) The County if the district includes unincorporated area in the district.</p> <p>(3) Clarifies that 2/3rds means 2/3rds all of the municipalities and county contained in the district.</p>