

1 ASSESSMENT AREA REVISIONS

2 2015 GENERAL SESSION

3 STATE OF UTAH

4 Chief Sponsor: Curtis S. Bramble

5 House Sponsor: Daniel McCay

7 LONG TITLE

8 General Description:

9 This bill enacts language related to assessment area bonds.

10 Highlighted Provisions:

11 This bill:

12 ▶ authorizes a local entity to transfer title to property in satisfaction of debt if certain
13 requirements are met.

14 Money Appropriated in this Bill:

15 None

16 Other Special Clauses:

17 None

18 Utah Code Sections Affected:

19 AMENDS:

20 **11-42-504**, as enacted by Laws of Utah 2007, Chapter 329

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

23 Section 1. Section **11-42-504** is amended to read:

24 **11-42-504. Assessments on property that the local entity acquires at tax sale or**
25 **foreclosure -- Transferring title of property in lieu of paying assessments --**

26 **Reimbursement.**

27 (1) (a) Each local entity that purchases property at a tax sale or foreclosure under this
28 part shall pay into the assessment fund all applicable annual installments of assessments and
29 interest for as long as the local entity owns the property.

30 (b) A local entity may make payments required under this Subsection (1) from the
31 guaranty fund or reserve fund.

32 (2) (a) In lieu of making payments under Subsection (1), a local entity may elect to
33 transfer title of the property to the owners of all outstanding assessment bonds, refunding
34 assessment bonds, interim warrants, or bond anticipation notes as payment in full for all
35 delinquent assessments with respect to the property[:] only if:

36 (i) the local entity and owners agree to the election to transfer; and

37 (ii) an indenture, private placement memo, or other document or contract

38 memorializing the terms of debt explicitly discloses the terms of the agreement described in
39 Subsection (2)(a)(i).

40 (b) If a local entity transfers title to property as provided in Subsection (2)(a) or sells
41 property it has received from a tax sale or foreclosure, the selling price may not be less than the
42 amount sufficient to reimburse the local entity for all amounts the local entity paid with respect
43 to an assessment on the property, including an amount sufficient to reimburse the guaranty
44 fund or reserve fund, as the case may be, for all amounts paid from the fund for delinquent
45 assessments or installments of assessments relating to the property, plus interest, penalties, and
46 costs.

47 (c) Each local entity that sells property it has received from a tax sale or foreclosure
48 shall place the money it receives from the sale into the guaranty fund, reserve fund, or other
49 local entity fund, as the case may be, to the extent of full reimbursement as required in this
50 section.