

**1st Sub. S.B. 51**  
**LOCAL GOVERNMENT ENTITIES AMENDMENTS**

SENATE FLOOR AMENDMENTS AMENDMENT 4 MARCH 6, 2014 4:36 PM

Senator **Jerry W. Stevenson** proposes the following amendments:

*1. Page 65, Lines 1992 through 1994:*

1992 recommendation.

(17)(a) The state auditor shall exercise the authority and comply with the duties established in Subsection (7)(b) if, upon investigation of a special service district, as defined in Section 17D-1-102, whose revenue sources are limited to assessed fees and rates, the state auditor establishes a finding of well-founded concern that the special service district has engaged in a pattern and practice of:

(i) improper use of public funds for private purposes;

(ii) extraordinary financial impropriety involving an amount equal to or more than \$1 million in public funds;

(iii) causing irreparable harm to individuals or to the public trust;

(iv) defaulting on public bonds;

(v) affirmative acts to conceal the special service district's financial records from the review of the state auditor;

(vi) documented threats of coercion of private parties; and

(vii) failure to deal in good faith with the state auditor's requests for reliable information.

(b) If the state auditor establishes a finding described in Subsection (17)(a), the state auditor shall:

(i) suspend the special service district's authority to:

(A) expend or transfer special service district funds; and

(B) operate under the control and supervision of the existing special service district management

and, as defined in Section 17D-1-102, governing body;

(ii) take custody of the special service's public records and assets; and

(iii) in coordination with the state treasurer and municipalities and counties contiguous to the special service district, appoint a receiver for the special service district.

(c) The receiver appointed under Subsection (17)(b) shall:

(i) manage the special service district's assets;

(ii) deliver special service district services;

(iii) resolve, including through litigation if necessary, claims against and by the special service district;

(iv) develop a viable long-term plan to resolve financial improprieties, if any, of the special service district; and

(v) select a responsible local government to manage the special service district for a minimum of three years.

(d) A local government selected under Subsection (17)(c)(v) has the powers granted in, and is