

**MINUTES OF THE  
SPECIAL DISTRICTS SUBCOMMITTEE OF THE  
POLITICAL SUBDIVISIONS INTERIM COMMITTEE**

Tuesday, November 28, 2000 - 9:00 a.m. - Room 403 State Capitol

**Members Present:**

Sen. R. Mont Evans, Co-chair  
Rep. Joseph G. Murray, Co-chair  
Rep. Marda Dillree  
Rep. David L. Gladwell

**Staff Present:**

Mr. Joseph Wade,  
Research Analyst  
Mr. Robert H. Rees,  
Associate General Counsel  
Ms. Joy L. Miller  
Legislative Secretary

**Members Absent:**

Sen. Scott N. Howell  
Rep. Eli H. Anderson  
Rep. Loretta Baca

Note: A list of others present and a copy of materials distributed in the meeting are on file in the Office of Legislative Research and General Counsel.

**1. Call to Order and Committee Business -** Rep. Murray called the meeting to order at 9:10 a.m.

Mr. Rees explained that the changes from the previous draft include the concept of requiring an annexation petition to include the signatures of property owners representing a percentage of the value of the property as well as a percentage of the land area proposed to be annexed. A signer of a petition may withdraw his signature any time before the public hearing. If the annexation is for a local district located entirely within a single county, the hearing has to be held within or as close as practicable to the area proposed to be annexed or at the local district office. If it is a district located within more than one county, the hearing has to be held within the county in which the area proposed to be annexed is located and within or as close as practicable to the area proposed to be annexed. He reviewed the notice requirements. If the district is funded predominantly by revenues from a sales tax and not property tax, the notice will be sent to each registered voter. If it is funded predominantly by revenues from a property and not a sales tax, the notice will be sent to the property owner. If it is funded by revenues from both sales and property taxes or neither, the notice will be sent to either the registered voters or the property owners.

Mr. Fred Finlinson, Callister, Nebeker and McCullough, proposed that on line 149 after “property” the language “residing within the area proposed to be annexed” be inserted. He felt the language should be added, where appropriate, throughout the bill.

Mr. Rees reviewed other changes to the bill. If a majority of registered voters residing within the area proposed to be annexed vote against annexation, the annexation process is

terminated and the area proposed to be annexed may not be the subject of an annexation effort for two years. A board may deny annexation and terminate the process after the public hearing and before the vote if, for a proposed annexation initiated by petition, the board determines that it is not feasible for the local district to provide service to the area proposed to be annexed. For a proposed annexation initiated by resolution, the board may terminate the process if it determines not to pursue annexation. Mr. Rees stated the county clerk was removed from the requirement to receive the written notice of annexation. He raised the issue of the required maps.

Mr. Mike Mazuran, Mazuran & Hayes, said the present practice has been to send the map to the county recorder. For clarity purposes the map should be filed with both the county recorder and the county assessor. The language should be consistent throughout the bill.

The subcommittee agreed with the proposed change.

Mr. Rees indicated there are other issues that still need to be addressed in the bill.

Mr. Mazuran pointed out that on line 62 the word "assessed" should be inserted before "value." That term should be used consistently throughout the bill. The issue could be addressed in the definition section of the bill.

Mr. Mark Anderson, Utah Association of Special Districts, discussed lines 70 and 71. Some districts have raised the issue of those that provide a wholesale service and not a direct retail service. The districts have suggested that on line 72 after "district" the following language be inserted: "either directly through retail service or indirectly through wholesale service through a retail provider." The concept is to enable a wholesale district that is providing service through the city or local retail district in turn to initiate annexation proceedings if they can provide that wholesale service.

Mr. Shawn Draney, Metropolitan Water District of Salt Lake and Sandy, said there should be a mechanism where they can annex an area that they provide wholesale service to that is in turn providing service to a particular area. The major concern is the need to have fair taxation.

Mr. Rees indicated that "service" could also be added to the definitions section.

Mr. Anderson discussed the 30-day requirement for petition certification. He questioned whether there should be a mechanism to extend the time. The subcommittee determined to leave the 30-day requirement.

Mr. Anderson raised the issue of the cost of the public hearing. He did not want to see a

district be forced to waste its resources on advertising to hold a public hearing when it does not make sense to do the annexation.

Mr. Rees explained that the rationale for holding the public hearing prior to denial is that there will be some members of the public who are mistrustful of the board and giving them full discretion to deny or determine they can't meet the needs without any public input at all.

After much discussion, the subcommittee determined to leave the requirement as it is.

Mr. Finlinson suggested that line 122 be added to the end of line 120. Mr. Rees indicated he would review that proposal which may be considered a technical change.

Mr. Anderson discussed page 7 lines 190 and 191. He questioned if a resolution driven annexation has failed, should the two-year waiting period apply to a subsequent petition driven annexation effort.

Mr. Rees suggested the requirement be limited to annexations to the same district.

Mr. Anderson indicated there may be a situation where an annexation is proposed and there is not adequate ability to provide the service. He questioned if only the part of the area that could be served could be annexed.

Rep. Gladwell commented that as long as the petitioning body has the ability to make the decision following some type of hearing, they are still in charge. He noted that language could be amended.

Ms. Kathryn Pett, UTA, pointed out that line 206 concerning resolution approving or rejecting the annexation should follow Section 17B-2-508 regarding protects and elections. The subcommittee agreed and the change will be made.

Mr. Anderson referred to line 446, page 15 concerning hearing and notice provisions for certain withdrawal petitions. It must be clear that if there is a 67 percent petition filed, it still has to pass the criteria for it to occur.

Ms. Pett requested that the language regarding bonds on lines 480 and 481 also be included on line 494.

Mr. Rees indicated he would include a definition of debt that would encompass Ms. Pett's concerns.

Mr. Paul Ashton, Boyak Ashton, referred to page 8, line 239. The provision allows for the automatic expansion of a wholesale provider when the city expands. The metropolitan water districts had a concern that language be included to address the problem. Currently the automatic annexation does not exist unless the district encompasses the entire municipality. He proposed the following change: on line 239 delete "boundaries of the" and after "district" insert "provide wholesale services to" and delete "entirely encompass."

The subcommittee agreed to make the proposed amendment.

Mr. Rees suggested that under the requirements for the notice provisions, the notices be sent to the contact sponsor for the petition. The subcommittee requested the change be made.

**MOTION:** Sen. Evans moved to adjourn. The motion passed unanimously. Chair Murray adjourned the meeting at 10:45 a.m.