

Effective 5/12/2015

Superseded 5/10/2016

17B-2a-1110 Withdrawal from a municipal services district upon incorporation -- Feasibility study required for city or town withdrawal -- Public hearing -- Revenues transferred to municipal services district.

- (1)
 - (a) A municipality may withdraw from a municipal services district in accordance with Section 17B-1-502 or 17B-1-505, as applicable, and the requirements of this section.
 - (b) If a municipality engages a feasibility consultant to conduct a feasibility study under Subsection (2)(a), the 180 days described in Subsection 17B-1-502(3)(a)(iii)(A) is tolled from the day that the municipality engages the feasibility consultant to the day on which the municipality holds the final public hearing under Subsection (5).
- (2)
 - (a) If a municipality decides to withdraw from a municipal services district, the municipal legislative body shall, before adopting a resolution under Section 17B-1-502 or 17B-1-505, as applicable, engage a feasibility consultant to conduct a feasibility study.
 - (b) The feasibility consultant shall be chosen:
 - (i) by the municipal legislative body; and
 - (ii) in accordance with applicable municipal procurement procedures.
- (3) The municipal legislative body shall require the feasibility consultant to:
 - (a) complete the feasibility study and submit the written results to the municipal legislative body before the council adopts a resolution under Section 17B-1-502;
 - (b) submit with the full written results of the feasibility study a summary of the results no longer than one page in length; and
 - (c) attend the public hearings under Subsection (5).
- (4)
 - (a) The feasibility study shall consider:
 - (i) population and population density within the withdrawing municipality;
 - (ii) current and five-year projections of demographics and economic base in the withdrawing municipality, including household size and income, commercial and industrial development, and public facilities;
 - (iii) projected growth in the withdrawing municipality during the next five years;
 - (iv) subject to Subsection (4)(b), the present and five-year projections of the cost, including overhead, of municipal services in the withdrawing municipality;
 - (v) assuming the same tax categories and tax rates as currently imposed by the municipal services district and all other current service providers, the present and five-year projected revenue for the withdrawing municipality;
 - (vi) a projection of any new taxes per household that may be levied within the withdrawing municipality within five years of the withdrawal; and
 - (vii) the fiscal impact on other municipalities serviced by the municipal services district.
 - (b)
 - (i) For purposes of Subsection (4)(a)(iv), the feasibility consultant shall assume a level and quality of municipal services to be provided to the withdrawing municipality in the future that fairly and reasonably approximates the level and quality of municipal services being provided to the withdrawing municipality at the time of the feasibility study.
 - (ii) In determining the present cost of a municipal service, the feasibility consultant shall consider:

- (A) the amount it would cost the withdrawing municipality to provide municipal services for the first five years after withdrawing; and
 - (B) the municipal services district's present and five-year projected cost of providing municipal services.
 - (iii) The costs calculated under Subsection (4)(a)(iv) shall take into account inflation and anticipated growth.
- (5) If the results of the feasibility study meet the requirements of Subsection (4), the municipal legislative body shall, at its next regular meeting after receipt of the results of the feasibility study, schedule at least one public hearing to be held:
- (a) within the following 60 days; and
 - (b) for the purpose of allowing:
 - (i) the feasibility consultant to present the results of the study; and
 - (ii) the public to become informed about the feasibility study results, including the requirement that if the municipality withdraws from the municipal services district, the municipality must comply with Subsection (9), and to ask questions about those results of the feasibility consultant.
- (6) At a public hearing described in Subsection (5), the municipal legislative body shall:
- (a) provide a copy of the feasibility study for public review; and
 - (b) allow the public to express its views about the proposed withdrawal from the municipal services district.
- (7)
- (a)
 - (i) The municipal clerk or recorder shall publish notice of the public hearings required under Subsection (5):
 - (A) at least once a week for three successive weeks in a newspaper of general circulation within the municipality; and
 - (B) on the Utah Public Notice Website created in Section 63F-1-701, for three weeks.
 - (ii) The municipal clerk or recorder shall publish the last publication of notice required under Subsection (7)(a)(i)(A) at least three days before the first public hearing required under Subsection (5).
 - (b)
 - (i) If, under Subsection (7)(a)(i)(A), there is no newspaper of general circulation within the proposed municipality, the municipal clerk or recorder shall post at least one notice of the hearings per 1,000 population in conspicuous places within the municipality that are most likely to give notice of the hearings to the residents.
 - (ii) The municipal clerk or recorder shall post the notices under Subsection (7)(b)(i) at least seven days before the first hearing under Subsection (5).
 - (c) The notice under Subsections (7)(a) and (b) shall include the feasibility study summary and shall indicate that a full copy of the study is available for inspection and copying at the office of the municipal clerk or recorder.
- (8) At a public meeting held after the public hearing required under Subsection (5), the municipal legislative body may adopt a resolution under Section 17B-1-502 or 17B-1-505, as applicable, if the municipality is in compliance with the other requirements of that section.
- (9) The municipality shall pay revenues in excess of 5% to the municipal services district for 10 years beginning on the next fiscal year immediately following the municipal legislative body adoption of a resolution or an ordinance to withdraw under Section 17B-1-502 or 17B-1-505 if the results of the feasibility study show that the average annual amount of revenue under

Subsection (4)(a)(v) exceed the average annual amount of cost under Subsection (4)(a)(iv) by more than 5%.