

1 **EXCLUSION OF TERRITORY FROM COUNTY**

2 **SERVICE AREA**

3 1999 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Parley Hellewell**

6 AN ACT RELATING TO SPECIAL DISTRICTS; AMENDING COUNTY SERVICE AREA
7 PROVISIONS; ALLOWING THE EXCLUSION OF COUNTY SERVICE AREA TERRITORY
8 BY BOARD RESOLUTION WHEN THE TERRITORY IS INCLUDED IN A MUNICIPAL
9 ANNEXATION OR INCORPORATION; AND MAKING TECHNICAL CHANGES.

10 This act affects sections of Utah Code Annotated 1953 as follows:

11 AMENDS:

12 **17A-2-418**, as last amended by Chapter 227, Laws of Utah 1993

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

14 Section 1. Section **17A-2-418** is amended to read:

15 **17A-2-418. Annexation of all or part of county service area into city or town --**
16 **Petition and election on exclusion -- Exclusion resolution -- Exclusion of territory from area**
17 **-- Unencumbered funds -- Service area facilities.**

18 (1) (a) If all or any portion of a county service area is annexed into an incorporated city or
19 town, the annexed territory may not be excluded from the county service area unless:

20 (i) a petition is filed under Subsection (1)(b) with the governing body of the city or town
21 requesting that the territory described in the petition be excluded from the service area; or

22 (ii) the county service area board of trustees adopts a resolution excluding the annexed
23 territory from the county service area.

24 (b) [The] (i) Each petition under Subsection (1)(a)(i) shall be signed by:

25 [(t)] (A) property owners owning taxable property in the territory to be excluded from the
26 service area that has a taxable value in excess of 40% of the taxable value of all taxable property
27 within the area to be excluded, according to the last assessment roll for county taxes completed

28 prior to the date of filing of the petition; or

29 [(ii)] (B) 25% of the registered voters residing within the territory to be excluded.

30 [(c)] (ii) Upon receipt and verification of the validity of [the] a petition under Subsection
31 (1)(a)(i), the governing body of the city or town shall, at the next general election, place the
32 following proposition before the qualified voters residing within that portion of the city or town
33 lying within the boundaries of the county service area as described in the petition: "Shall the
34 territory lying within (name of city or town) which is also within the boundaries of (name of
35 county service area) be excluded from (name of county service area)?"

36 [(d)] (iii) If a majority of the qualified voters cast their ballots in favor of excluding the
37 territory from the county service area, the territory within the county service area that is included
38 within the city or town is excluded from the county service area, effective as of the date of election.

39 [(e)] (iv) If a majority of the qualified voters cast their ballots against excluding the
40 territory lying within the city or town from the county service area, the territory shall remain within
41 the service area.

42 (c) (i) At least ten days before adopting a resolution under Subsection (1)(a)(ii), the county
43 service area board of trustees shall give written notice of the board's intent to adopt an exclusion
44 resolution to the legislative body of the municipality that annexed the county service area territory
45 proposed to be excluded.

46 (ii) Upon adoption of a resolution under Subsection (1)(a)(ii) excluding annexed territory
47 from the county service area, the territory within the county service area included within the
48 annexing municipality is excluded from the county service area.

49 (2) (a) If all or any portion of a county service area is included within a newly incorporated
50 city or town, that territory may not be excluded from the county service area unless;

51 (i) a petition is filed under Subsection (2)(b) with the governing body of the city or town,
52 requesting that the territory be excluded from the county service area; or

53 (ii) the county service area board of trustees adopts a resolution excluding the territory
54 from the county service area.

55 (b) [The] (i) Each petition under Subsection (2)(a)(i) shall be signed by:

56 [(i)] (A) owners of taxable property in the territory to be excluded from the service area
57 that has a taxable value in excess of 40% of the taxable value of all taxable property within the
58 area to be excluded, according to the last assessment roll for county taxes completed prior to the

59 date of filing of the petition; or

60 [(ii)] (B) by 25% of the registered voters residing within the territory to be excluded.

61 [(c)] (ii) Upon receipt and verification of the validity of the petition, the governing body
62 of the city or town shall, at the next general election, place the following proposition before the
63 qualified voters residing within that portion of the city or town lying within the boundaries of the
64 county service area: "Shall all territory lying within (name of city or town) which is also within the
65 boundaries of (name of county service area) be excluded from (name of county service area)?"

66 [(d)] (iii) If a majority of the qualified voters cast their ballots in favor of excluding the
67 territory from the county service area, the territory within the county service area that is included
68 within the city or town shall be excluded from the county service area, effective as of the date of
69 the election.

70 [(e)] (iv) If a majority of the qualified voters cast their ballots against excluding the
71 territory lying within the city or town from the county service area, the territory shall remain within
72 the county service area.

73 (c) (i) At least ten days before adopting a resolution under Subsection (2)(a)(ii), the county
74 service area board of trustees shall give written notice of the board's intent to adopt an exclusion
75 resolution to the legislative body of the municipality whose incorporation included the county
76 service area territory proposed to be excluded.

77 (ii) Upon adoption of a resolution under Subsection (1)(a)(ii) excluding territory from the
78 county service area, the territory within the county service area included within the municipality
79 is excluded from the county service area.

80 (3) (a) For purposes of this section, "unencumbered funds" means the sums of money,
81 uncollected taxes, and other uncollected accounts due a county service area, in excess of an amount
82 sufficient to pay all claims.

83 (b) When territory is excluded from a county service area, all unencumbered funds
84 standing to the credit of the county service area upon the date of the exclusion shall be divided
85 between the incorporated area and the county service area in proportion to the taxable value of the
86 taxable property of the territory excluded and the portion remaining within the county service area
87 if the incorporated area within which the excluded area is located:

88 (i) undertakes to provide the services previously provided by the service area; and

89 (ii) assumes a proportionate share of the debt, both bonded and otherwise, of the service

90 area.

91 (c) The outstanding debts of the service area shall be divided between the incorporated
92 area and the service area based upon the same formula and same proportion specified in Subsection
93 (3)(b).

94 (d) (i) If, at the time of the exclusion of any territory from a county service area, the county
95 service area has outstanding indebtedness payable from taxes, the exclusion shall relieve the
96 excluded territory from liability for the payment of taxes for any indebtedness except as specified
97 in this Subsection (3)(d).

98 (ii) The excluded area may be taxed to pay voted indebtedness existing at the time of
99 exclusion, but only to the extent, and only in the years where, it is necessary to levy that tax in the
100 excluded area in order to forestall or prevent a default in the payment of principal and interest on
101 that indebtedness.

102 (iii) If the county legislative body levies those taxes, the county treasurer shall collect them
103 as other county taxes are collected.

104 (4) If the area annexed into an incorporated area and excluded from the service area
105 encompasses service area facilities, the county service area shall continue to own and operate those
106 facilities so that the service area's ability to provide services and facilities to the residents and
107 occupants of the service area is unabated and undiminished.

Legislative Review Note
as of 2-15-99 3:36 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel