

**EXCLUSION OF TERRITORY FROM COUNTY
SERVICE AREA**

2000 GENERAL SESSION

STATE OF UTAH

Sponsor: Parley Hellewell

AN ACT RELATING TO SPECIAL DISTRICTS; AMENDING COUNTY SERVICE AREA PROVISIONS; FOR COUNTY SERVICE AREAS LOCATED IN CERTAIN COUNTIES, ALLOWING THE EXCLUSION OF COUNTY SERVICE AREA TERRITORY BY BOARD RESOLUTION WHEN THE TERRITORY IS INCLUDED IN A MUNICIPAL ANNEXATION OR INCORPORATION; AND MAKING TECHNICAL CHANGES.

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

AMENDS:

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

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

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

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

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

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

(ii) for a county service area that is not located within a county of the first class, the county service area board of trustees adopts a resolution excluding the annexed territory from the county service area.

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

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

prior to the date of filing of the petition; or

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

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

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

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

(c) (i) The board of trustees of a county service area that is not located in a county of the first class shall provide advance notice of the board's intent to adopt an exclusion resolution under Subsection (1)(a)(ii) by:

(A) at least 45 days before adopting a resolution, giving written notice to the legislative body of the municipality that annexed the county service area territory proposed to be excluded; and

(B) publishing a notice in a newspaper of general circulation within the county service area at least once a week for two consecutive weeks, the last publication being no more than ten days before adopting a resolution.

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

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

(i) a petition is filed under Subsection (2)(b) with the governing body of the city or town,

requesting that the territory be excluded from the county service area; or

(i) for a county service area that is not located within a county of the first class, the county service area board of trustees adopts a resolution excluding the territory from the county service area.

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

~~[(†)]~~ (A) owners of taxable property in the territory to be excluded from the service area that has a taxable value in excess of 40% of the taxable value of all taxable property within the area to be excluded, according to the last assessment roll for county taxes completed prior to the date of filing of the petition; or

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

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

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

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

(c) (i) The board of trustees of a county service area that is not located in a county of the first class shall provide advance notice of the board's intent to adopt an exclusion resolution under Subsection (2)(a)(ii) by:

(A) at least 45 days before adopting a resolution, giving written notice to the legislative body of the municipality whose incorporation included the county service area territory proposed to be excluded; and

(B) publishing a notice in a newspaper of general circulation within the county service area

at least once a week for two consecutive weeks, the last publication being no more than ten days before adopting a resolution.

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

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

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

- (i) undertakes to provide the services previously provided by the service area; and
- (ii) assumes a proportionate share of the debt, both bonded and otherwise, of the service area.

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

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

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

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

(4) If the area annexed into an incorporated area and excluded from the service area

encompasses service area facilities, the county service area shall continue to own and operate those facilities so that the service area's ability to provide services and facilities to the residents and occupants of the service area is unabated and undiminished.