

SPECIAL DISTRICT AND LOCAL DISTRICT AMENDMENTS

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: David L. Gladwell

This act modifies provisions relating to Special Districts and Limited Purpose Local Government Entities to rewrite and standardize annexation and dissolution provisions for specified special districts and for local districts. This act allows for the process to annex an area outside the boundaries of a specified special district or a local district to be initiated by petition or by resolution of a county or municipal legislative body. The act allows, in some circumstances, a county or municipality to terminate the annexation process if the county or municipality will provide the service proposed to be provided by the special or local district. The act requires, with some exceptions, the special or local district to hold a public hearing and provide notice of the hearing and provides for a protest and election, under certain circumstances. The act provides for a streamlined annexation process for a district providing service on a wholesale level and for a district providing transportation service. The act provides a procedure for districts to adjust a common boundary. The act provides a procedure for dissolving a district if certain conditions are present. The act provides for notice and a public hearing for a dissolution. The act repeals inconsistent and obsolete provisions and makes technical changes. This act provides a coordination clause.

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

AMENDS:

17A-2-101, as last amended by Chapter 177, Laws of Utah 2000

17A-2-301, as last amended by Chapters 361 and 368, Laws of Utah 1998

17A-2-317, as last amended by Chapter 227, Laws of Utah 1993

17A-2-403, as last amended by Chapter 368, Laws of Utah 1998

17A-2-405, as last amended by Chapter 21, Laws of Utah 1997

17A-2-411, as last amended by Chapter 254, Laws of Utah 2000

17A-2-413, as last amended by Chapter 227, Laws of Utah 1993

17A-2-422, as last amended by Chapter 1, Laws of Utah 2000

17A-2-530, as last amended by Chapter 254, Laws of Utah 2000
17A-2-622, as last amended by Chapter 254, Laws of Utah 2000
17A-2-706, as last amended by Chapter 254, Laws of Utah 2000
17A-2-714, as last amended by Chapter 254, Laws of Utah 2000
17A-2-715, as last amended by Chapter 254, Laws of Utah 2000
17A-2-730, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-738, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-741, as last amended by Chapter 254, Laws of Utah 2000
17A-2-749, as last amended by Chapter 254, Laws of Utah 2000
17A-2-751, as last amended by Chapter 254, Laws of Utah 2000
17A-2-752, as last amended by Chapter 254, Laws of Utah 2000
17A-2-754, as last amended by Chapter 254, Laws of Utah 2000
17A-2-758, as last amended by Chapter 254, Laws of Utah 2000
17A-2-759, as last amended by Chapter 254, Laws of Utah 2000
17A-2-801, as last amended by Chapter 254, Laws of Utah 2000
17A-2-803, as last amended by Chapter 368, Laws of Utah 1998
17A-2-842, as last amended by Chapter 254, Laws of Utah 2000
17A-2-1048, as last amended by Chapter 254, Laws of Utah 2000
17A-2-1049, as last amended by Chapter 254, Laws of Utah 2000
17A-2-1420, as last amended by Chapter 254, Laws of Utah 2000
17A-2-1821, as enacted by Chapter 216, Laws of Utah 1995
17B-2-101, as enacted by Chapter 368, Laws of Utah 1998
17B-2-201, as last amended by Chapter 1, Laws of Utah 2000
17B-2-217, as last amended by Chapter 177, Laws of Utah 2000
73-2-1, as last amended by Chapter 3, Laws of Utah 1991

ENACTS:

17A-2-101.3, Utah Code Annotated 1953
17B-2-102, Utah Code Annotated 1953

17B-2-501, Utah Code Annotated 1953
17B-2-502, Utah Code Annotated 1953
17B-2-503, Utah Code Annotated 1953
17B-2-504, Utah Code Annotated 1953
17B-2-505, Utah Code Annotated 1953
17B-2-506, Utah Code Annotated 1953
17B-2-507, Utah Code Annotated 1953
17B-2-508, Utah Code Annotated 1953
17B-2-509, Utah Code Annotated 1953
17B-2-510, Utah Code Annotated 1953
17B-2-511, Utah Code Annotated 1953
17B-2-512, Utah Code Annotated 1953
17B-2-513, Utah Code Annotated 1953
17B-2-514, Utah Code Annotated 1953
17B-2-515, Utah Code Annotated 1953
17B-2-516, Utah Code Annotated 1953
17B-2-517, Utah Code Annotated 1953
17B-2-701, Utah Code Annotated 1953
17B-2-702, Utah Code Annotated 1953
17B-2-703, Utah Code Annotated 1953
17B-2-704, Utah Code Annotated 1953
17B-2-705, Utah Code Annotated 1953
17B-2-706, Utah Code Annotated 1953
17B-2-707, Utah Code Annotated 1953
17B-2-708, Utah Code Annotated 1953

RENUMBERS AND AMENDS:

17A-3-244, (Renumbered from 17A-2-326, as renumbered and amended by Chapter 186, Laws of Utah 1990)

REPEALS:

- 17A-2-202**, as last amended by Chapter 368, Laws of Utah 1998
- 17A-2-203**, as last amended by Chapter 227, Laws of Utah 1993
- 17A-2-204**, as last amended by Chapter 146, Laws of Utah 1994
- 17A-2-205**, as last amended by Chapter 227, Laws of Utah 1993
- 17A-2-206**, as last amended by Chapter 227, Laws of Utah 1993
- 17A-2-207**, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 17A-2-213**, as last amended by Chapter 322, Laws of Utah 1997
- 17A-2-214**, as last amended by Chapter 322, Laws of Utah 1997
- 17A-2-303**, as last amended by Chapters 112 and 146, Laws of Utah 1994
- 17A-2-304**, as last amended by Chapter 146, Laws of Utah 1994
- 17A-2-331**, as last amended by Chapter 1, Laws of Utah 2000
- 17A-2-332**, as last amended by Chapter 227, Laws of Utah 1993
- 17A-2-333**, as last amended by Chapter 322, Laws of Utah 1997
- 17A-2-339**, as enacted by Chapter 129, Laws of Utah 1997
- 17A-2-404**, as last amended by Chapter 227, Laws of Utah 1993
- 17A-2-406**, as last amended by Chapter 227, Laws of Utah 1993
- 17A-2-407**, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 17A-2-408**, as last amended by Chapter 227, Laws of Utah 1993
- 17A-2-409**, as last amended by Chapter 227, Laws of Utah 1993
- 17A-2-410**, as last amended by Chapter 227, Laws of Utah 1993
- 17A-2-417**, as last amended by Chapters 21 and 322, Laws of Utah 1997
- 17A-2-420**, as last amended by Chapter 227, Laws of Utah 1993
- 17A-2-430**, as last amended by Chapter 273, Laws of Utah 1991
- 17A-2-529**, as last amended by Chapter 254, Laws of Utah 2000
- 17A-2-546**, as last amended by Chapter 254, Laws of Utah 2000
- 17A-2-561**, as last amended by Chapter 254, Laws of Utah 2000
- 17A-2-562**, as last amended by Chapter 30, Laws of Utah 1992

17A-2-563, as last amended by Chapter 254, Laws of Utah 2000
17A-2-564, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-565, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-566, as last amended by Chapter 254, Laws of Utah 2000
17A-2-567, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-602, as last amended by Chapter 146, Laws of Utah 1994
17A-2-603, as last amended by Chapter 146, Laws of Utah 1994
17A-2-604, as last amended by Chapter 146, Laws of Utah 1994
17A-2-605, as last amended by Chapter 1, Laws of Utah 2000
17A-2-606, as last amended by Chapter 227, Laws of Utah 1993
17A-2-608, as last amended by Chapters 12 and 146, Laws of Utah 1994
17A-2-614, as last amended by Chapter 254, Laws of Utah 2000
17A-2-624, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-702, as last amended by Chapter 368, Laws of Utah 1998
17A-2-703, as last amended by Chapter 254, Laws of Utah 2000
17A-2-704, as last amended by Chapter 254, Laws of Utah 2000
17A-2-705, as last amended by Chapter 254, Laws of Utah 2000
17A-2-731, as last amended by Chapter 254, Laws of Utah 2000
17A-2-732, as last amended by Chapter 254, Laws of Utah 2000
17A-2-733, as last amended by Chapter 254, Laws of Utah 2000
17A-2-734, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-735, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-736, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-737, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-745, as last amended by Chapter 254, Laws of Utah 2000
17A-2-746, as last amended by Chapter 254, Laws of Utah 2000
17A-2-747, as last amended by Chapter 254, Laws of Utah 2000
17A-2-748, as last amended by Chapter 254, Laws of Utah 2000

17A-2-811, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-812, as last amended by Chapter 1, Laws of Utah 2000
17A-2-813, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-814, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-815, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-841, as last amended by Chapter 254, Laws of Utah 2000
17A-2-912, as last amended by Chapter 322, Laws of Utah 1997
17A-2-913, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-1404, as last amended by Chapters 13 and 368, Laws of Utah 1998
17A-2-1405, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-1406, as last amended by Chapter 227, Laws of Utah 1993
17A-2-1407, as last amended by Chapter 254, Laws of Utah 2000
17A-2-1408, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-1437, as last amended by Chapters 1 and 254, Laws of Utah 2000
17A-2-1815, as enacted by Chapter 216, Laws of Utah 1995
17A-2-1816, as enacted by Chapter 216, Laws of Utah 1995
17A-2-1817, as enacted by Chapter 216, Laws of Utah 1995
17A-2-1818, as enacted by Chapter 216, Laws of Utah 1995
17A-2-1819, as enacted by Chapter 216, Laws of Utah 1995
17A-2-1820, as enacted by Chapter 216, Laws of Utah 1995

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

Section 1. Section **17A-2-101** is amended to read:

17A-2-101. Creation procedures for certain independent special districts.

(1) [~~(a) Beginning March 23, 1998, the~~] The creation of a special district under Part 2, Cemetery Maintenance Districts, Part 3, County Improvement Districts for Water, Sewerage, Flood Control, Electric and Gas, Part 4, County Service Area Act, Part 7, Irrigation Districts, Part 8, Metropolitan Water District Act, Part 9, Mosquito Abatement Districts, [~~and~~] Part 10, Utah Public Transit District Act, and Part 14, Water Conservancy Act, shall be governed by Title 17B, Chapter

2, Part 2, Creation of Local Districts, in the same manner as if a local district under Title 17B, Chapter 2, Local Districts, were proposed to be created.

~~[(b) Beginning September 15, 1998, the creation of a special district under Part 14, Water Conservancy Districts, shall be governed by Title 17B, Chapter 2, Part 2, Creation of Local Districts, in the same manner as if a local district under Title 17B, Chapter 2, Local Districts, were proposed to be created.]~~

(2) Subsection 17B-2-217(1) does not prohibit the creation of one of the types of independent special districts listed in Subsection (1) under the creation provisions of Title 17B, Chapter 2, Part 2, Creation of Local Districts.

(3) The provisions of Title 17B, Chapter 2, Part 2, Creation of Local Districts, do not apply to an independent special district under this chapter created before March 23, 1998.

(4) (a) For each type of independent special district listed in Subsection (1), the provisions of the part under this chapter that applies to that district govern with respect to the appointment or election of the governing body of that type of independent special district after its creation under Title 17B, Chapter 2, Part 2, Creation of Local Districts.

(b) If application of the provisions of Title 17B, Chapter 2, Part 2, Creation of Local Districts, results in the creation of an independent special district before the governing body of that district, under the applicable provisions of this chapter, takes office, the responsible body, as defined in Subsection 17B-2-201(1)~~[(†)]~~, shall be the governing body of the district until the governing body takes office under the applicable provisions of this chapter.

(5) Notwithstanding Section 17B-2-202, an independent special district listed in Subsection (1) may be created to provide only the services that are authorized under the part of this chapter applicable to that type of district.

Section 2. Section **17A-2-101.3** is enacted to read:

17A-2-101.3. Annexation and dissolution provisions for certain independent special districts.

(1) Except as provided in Subsection (2), for each type of independent special district listed in Subsection 17A-2-101(1) and for a drainage district under Part 5, Drainage Districts, a fire

protection district under Part 6, Fire Protection Districts, and a regional service area under Part 18, Regional Service Area Act, on or after June 1, 2001:

(a) annexation of additional territory to the district or adjustment of boundaries shared by two or more of those types of independent special districts shall be governed by Title 17B, Chapter 2, Part 5, Annexation, to the same extent as if the independent special district were a local district under Title 17B, Chapter 2, Local Districts; and

(b) dissolution of a district shall be governed by Title 17B, Chapter 2, Part 7, Dissolution, to the same extent as if the independent special district were a local district under Title 17B, Chapter 2, Local Districts.

(2) An annexation, boundary adjustment, or dissolution proceeding begun before and still pending on June 1, 2001 for a type of independent special district referred to in Subsection (1) is not subject to Subsection (1)(a) or (b) but continues after that date to be governed by the statutory provisions in effect immediately before that date.

Section 3. Section **17A-2-301** is amended to read:

17A-2-301. Improvement district authority -- Area of a district -- County legislative body may act as board of certain districts.

(1) (a) An improvement district [~~may be established under this part and~~] may acquire through construction, purchase, gift, or condemnation, or any combination of these methods, and may operate all or any part of:

- (i) a system for the supply, treatment, and distribution of water;
- (ii) a system for the collection, treatment, and disposition of sewage;
- (iii) a system for the collection, retention, and disposition of storm and flood waters;
- (iv) a system for the generation, distribution, and sale of electricity; and
- (v) a system for the transmission of natural or manufactured gas if the system is:

(A) connected to a gas plant, as defined in Section 54-2-1, of a gas corporation, as defined in Section 54-2-1, regulated under Section 54-4-1; and

(B) to be used to facilitate gas utility service within the district if the gas utility service is not available within the district prior to the acquisition or construction of the system.

(b) The new gas utility service under Subsection (1)(a)(v)(B) shall be provided by a gas corporation regulated under Section 54-4-1 and not by the district.

(2) (a) (i) Subject to Subsection (2)~~(c)~~(a)(ii), the area of a district under this part may include all or part of any county or counties, including all or any part of any incorporated municipalities, other incorporated areas, and unincorporated areas, as the needs of the inhabitants of the proposed districts may appear.

(ii) Notwithstanding Subsection (2)(a)(i), the addition of any territory to a district under this part shall, on and after June 1, 2001 and as provided in Subsection 17A-2-101.3(1)(a), be governed by Title 17B, Chapter 2, Part 5, Annexation.

(b) The boundaries of a district authorized under this part do not need to be contiguous.

~~[(c) (i) Notwithstanding Subsection (2)(a), an improvement district created under this part after May 4, 1998, for the supply, treatment, or distribution of water may not include part of a municipality unless:]~~

~~[(A) the municipality's governing body adopts an ordinance or resolution consenting to the inclusion; and]~~

~~[(B) the owners of over 50% of all parcels of real property, located in the area proposed to be included and that will have at least one water connection to the improvement district, request in writing that the improvement district and not the municipality provide the services proposed to be provided by the improvement district.]~~

~~[(ii) For purposes of Subsection (2)(c)(i)(B), the provisions of Subsections 17A-2-340(2)(c)(i), (ii), (iii), and (iv) apply.]~~

(3) If an improvement district authorized under this part was created solely for the purpose of acquiring a system for the collection, retention, or disposition of storm and flood waters, the county legislative body that created the district may, in its discretion and despite anything to the contrary in Section 17A-2-305, act as the board of trustees of the district for so long as it considers desirable.

~~[(4) All provisions of this part that establish, govern, or state the requirements and procedure for the creation of an improvement district:]~~

~~[(a) are superseded by the provisions of Title 17B, Chapter 2, Part 2, Creation of Local Districts, with respect to the creation of an improvement district; and]~~

~~[(b) remain valid to the extent they establish, govern, or state the requirements or procedure for annexation to an existing improvement district.]~~

Section 4. Section **17A-2-317** is amended to read:

17A-2-317. Ratification of districts created under prior laws -- Issuance of authorized bonds -- Amendatory proceedings.

Whenever any district has been heretofore created or purported to be created under authority of Chapter 25, Laws of Utah 1947, Chapter 24, Laws of Utah 1949, or the act hereby amended and where proceedings have been adopted by the governing body of such district for the purpose of authorizing the bonds of such district, whether or not such bonds are payable from operating revenues or from taxes or both, and whether or not such bonds have been heretofore delivered, all proceedings had in connection with the creation of such district, the organization of the governing body thereof, and all proceedings had in connection with the authorization of such bonds, and, when duly delivered and paid for as required by such proceedings, the bonds themselves are hereby validated, ratified and declared to be binding and effective in accordance with their terms notwithstanding any failure to comply with any one or more pertinent statutory provisions and notwithstanding whether such proceedings have been continuously in effect from the date of their adoption to the date of the passage of this part.

As to each district coming within the purview of this section which has heretofore authorized bonds which have not yet been issued, the governing body of such district is hereby authorized and empowered to do all things necessary to the issuance of such bonds and to the performance and carrying out of the contracts of such district, and such things may be done and such bonds when issued shall benefit from the curative provisions of this section whether or not changes in the details of the bonds and in the proceedings authorizing the issuance thereof have been made since the original adoption thereof or may hereafter be made and without regard to the nature of such changes.

Where any district has been originally initiated or created under authority of either [~~Chapter 2, Part 3~~] this part or Chapter 3, Part 2, County Improvement District Act, the governing authority

of such district may proceed to issue bonds and operate facilities under the authority of the law under which it was created or may, if in so doing provision is made for the payment in full of all expenses and obligations heretofore incurred by such district for legal, engineering, fiscal agent's and other proper services, make such changes and amendments in the proceedings for the authorization of such bonds as may be necessary to effect the authorization and issuance of such bonds under the provisions of this part as amended, and to that end, may increase or decrease the amount of bonds so authorized, may make such bonds payable in whole or in part from the operating revenues of the district or from taxes or both as herein provided, and may make any other changes in such proceedings it may deem to be in the best interests of the district. If any such change has the effect of pledging or allocating to the payment of any such bond taxes to be levied by such district, such amendatory proceedings shall become effective only when there shall have been given ~~[the]~~ notice ~~[contemplated by Section 17A-2-304 hereof]~~ of a public hearing by publishing notice once a week for three successive weeks in a newspaper of general circulation in each county that contains some or all of the district, and when the hearing ~~[required by such section shall have]~~ has been held and appeals taken therefrom, if any, terminated. For the purpose of this section, the county legislative body under districts initiated or created under said Chapter 3, Part 2, County Improvement District Act, shall at its option, if it elects hereafter to proceed hereunder, exercise all duties and functions provided by this part to be exercised by the board of trustees of any district created hereunder or may cause an election to be held for the election of trustees in accordance with the provisions of this part.

Section 5. Section **17A-2-403** is amended to read:

17A-2-403. Authorized services -- Notice to and coordination with utility.

(1) (a) ~~[Whenever an unincorporated area in a county requires one or more of the following extended services which are not provided on a countywide basis]~~ A county service area may provide: extended police protection; fire protection; culinary or irrigation water retail service; water conservation; local park, recreation or parkway facilities and services; cemeteries; public libraries; sewers, sewage and storm water treatment and disposal; flood control; garbage and refuse collection; street lighting; airports; planning and zoning; local streets and roads; curb, gutter and sidewalk construction and maintenance; mosquito abatement; health department services; hospital service; or

the underground installation of an electric utility line or the conversion to underground of an existing electric utility line~~[- such services may be supplied by a county service area].~~

(b) If ~~[the provision of said services shall require]~~ providing service requires the issuance of bonds or the creation of long-term obligations ~~[said services]~~, the service may be supplied by means available ~~[at law]~~ as ~~[herein]~~ provided in this part.

~~[(b)]~~ (2) Each county service area that supplies the service of the underground installation of an electric utility line or the conversion to underground of an existing electric utility line shall, in installing or converting the line, provide advance notice to and coordinate with the utility that owns the line.

~~[(2) All provisions of this part that establish, govern, or state the requirements and procedure for the creation of a county service area:]~~

~~[(a) are superseded by the provisions of Title 17B, Chapter 2, Part 2, Creation of Local Districts, with respect to the creation of a county service area; and]~~

~~[(b) remain valid to the extent they establish, govern, or state the requirements or procedure for annexation to an existing county service area.]~~

Section 6. Section **17A-2-405** is amended to read:

17A-2-405. Area in county service area -- Overlapping of areas.

(1) (a) ~~[(A)]~~ The boundaries of a county service area may [consist of] include:

(i) all or part of any unincorporated area of one county; and

(ii) territory located within a municipality~~[- as provided in Sections 17A-2-417 and 17A-2-418].~~

(b) Notwithstanding Subsection (1)(a), the addition of any territory to a county service area under this part shall, on and after June 1, 2001 and as provided in Subsection 17A-2-101.3(1)(a), be governed by Title 17B, Chapter 2, Part 5, Annexation.

~~[(b)]~~ (2) County service areas may overlap if the service area which overlaps is entirely within the boundaries of the service area which it overlaps.

~~[(c)(i)]~~ (3) (a) Except as provided in Subsection ~~[(1)(c)(ii)]~~ (3)(b), not more than two service areas may occupy the same area in the county.

~~[(ii)]~~ (b) Notwithstanding Subsection ~~[(1)(c)(i)]~~ (3)(a), three service areas may occupy the same area in the county if one of the overlapping service areas is countywide.

~~[(d)]~~ (4) No overlapping service areas may perform the same services.

~~[(e)]~~ (5) All parts of a county service area need not be contiguous.

~~[(2)(a)]~~ Proceedings for the establishment of a county service area may be commenced at any time and shall be instituted by the county legislative body if:

~~[(i)]~~ a majority of the county legislative body vote in support of a resolution made by a member of that legislative body, describing the boundaries of the territory proposed to be included in the area and specifying the type or types of extended county services already provided or to be provided;

~~[(ii)]~~ a petition is filed with the county clerk, requesting the institution of such proceedings signed by not less than 25% of the taxpayers owning real property which is located in the territory proposed to be included within the area; or]

~~[(iii)]~~ a petition is filed with the county clerk, requesting the institution of such proceedings signed by not less than 25% of the qualified voters residing in the territory proposed to be included within the area.]

~~[(b)]~~ The petition under Subsection (2)(a)(ii) or (iii) may consist of any number of separate instruments.]

~~[(3)]~~ The resolution or the petitions described in Subsection (2) and all separate instruments related to them shall describe the boundaries of the proposed area with definiteness and certainty.]

Section 7. Section **17A-2-411** is amended to read:

17A-2-411. Board of trustees -- Selection procedures -- Surety bonds -- Other provisions applicable.

(1) Each service area authorized under this part shall be governed by a board of trustees.

(2) (a) Upon the creation of a county service area, the county legislative body may adopt an ordinance declaring that the county legislative body of the county shall act as the trustees of the service area.

(b) Upon passage of the ordinance, the county legislative body of the county shall act as

trustees of the service area with all the powers, authority, and responsibility vested in the trustees under this part.

(c) (i) The county legislative body, when acting as trustees, may use any existing county offices, officers, or employees for the purposes of the service area.

(ii) The county legislative body shall charge costs of those services to the service area and require them to be paid to the county treasurer for the general fund of the county.

(3) At any time after the creation of a board of trustees as provided in Subsection (1), if no elected board has been established as provided in this section, the county legislative body of the county in which the service area is located may:

(a) by ordinance, delegate its powers to an appointed or elected board of trustees as provided in Chapter 1, Part 3, Special District Board Selection Procedures; and

(b) provide for the appointment or election of the board by following the procedures and requirements of Chapter 1, Part 3, Special District Board Selection Procedures.

(4) At any time after the creation of a board of trustees as provided in Subsections (2) and (3), the county legislative body shall hold an election for trustees by following the procedures and requirements of Chapter 1, Part 3, Special District Board Selection Procedures, if:

(a) the county legislative body receives a petition requesting that an election for trustees be held that is:

(i) signed by at least 10% of persons eligible to vote in an election in a service area authorized under this part; and

(ii) filed with the county legislative body at least 30 days before the date set for a bond election or 90 days before the date set for any municipal election; or

(b) territory located within a municipality is annexed into the county service area under ~~[Section 17A-2-417]~~ Title 17B, Chapter 2, Part 5, Annexation.

(5) (a) If there is no elected board of trustees at the time of the first bond election, trustees shall be elected in conjunction with that bond election.

(b) Candidates for election to the board of trustees shall be taxpayers and qualified voters in the service area.

(c) At any time within 30 days after the county legislative body has called a bond election, but not less than 15 days before the day of election, any person who is qualified to vote in the service area may file a signed statement with the county clerk announcing the person's candidacy to be one of the first elected trustees of the service area.

(d) The board of trustees shall provide a ballot separate from the bond ballot that contains the names of the candidates and blanks in which the voters may write in additional names.

(e) A voter at the election may vote for the number of trustee positions to be filled.

(f) The persons receiving the highest number of votes at the election are members of the board of trustees.

(6) (a) Each member of the board of trustees may vote on all questions, orders, resolutions, and ordinances coming before the board.

(b) Notwithstanding Section 17B-2-404, if the county legislative body acts as the board of trustees, no compensation may be paid to them as trustees.

(c) Each trustee who is also a member of the county legislative body shall take the oath of office and shall give the bond that is required by law for members of the county legislative body.

(7) All qualified voters in the service area may vote in elections to select trustees and in elections to approve the issuance of bonds.

(8) Following the election or appointment of the first trustees, each elected trustee shall be elected according to the procedures and requirements of Chapter 1, Part 3, Special District Board Selection Procedures.

(9) Each vacancy of an elected trustee in office shall be filled according to the procedures and requirements of Chapter 1, Part 3, Special District Board Selection Procedures.

(10) (a) The provisions of Title 17B, Chapter 2, Part 4, Board of Trustees, apply to each county service area to the same extent as if the county service area were a local district under Title 17B, Chapter 2, Local Districts.

(b) (i) If a change in the number of board of trustees members is necessary to comply with the requirements of Subsection 17B-2-402(1), the board of trustees may by majority vote, notwithstanding Subsection 17B-2-402(3), change the number of board members to the next odd

number higher or lower than the number of current board members.

(ii) If a change under Subsection (10)(b)(i) decreases the number of board members, the change may not take effect until the expiration of the term of the member whose term next expires.

(iii) If a change in the number of board members necessitated by Subsection 17B-2-402(1) would cause the district to violate a provision of bonds issued by the district, the number of board members may be modified to the extent necessary to avoid a violation.

(c) (i) If a change in the expiration date of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(1), the term of each board member whose term expires on a day other than the first Monday in January shall be extended to the first Monday in January after the normal expiration date next following the special district election date under Section 17A-1-305.

(ii) If a change in the length of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(2), the change may not take effect until the expiration of the term of the member whose term length is to be changed.

Section 8. Section **17A-2-413** is amended to read:

17A-2-413. Adding a new service within county service area.

~~[(1) (a) After a] A county service area ~~[is established, the board]~~ may ~~[extend the types of services]~~ begin to provide within the boundaries of the county service area a service that it had not previously provided [by the area] by using the procedures set forth in [this part] Title 17B, Chapter 2, Part 2, Creation of Local Districts, for the creation of [the] a county service area as though a new county service area were being created to provide that service.~~

~~[(b) If the board extends the services provided, it shall make the appropriate changes in the wording of the required instruments.]~~

~~[(2) If a county service area is abandoned as provided in this part, the county legislative body may:]~~

~~[(a) discontinue any services for which the county service area was created; or]~~

~~[(b) dissolve the county service area if the area has no bonds or other indebtedness outstanding.]~~

Section 9. Section **17A-2-422** is amended to read:

17A-2-422. Proposal to incur indebtedness -- Resolution -- Notice -- Hearing -- Calling of bond election -- Written protests.

(1) (a) A proposal to incur indebtedness which would cause the total county debt to exceed the county taxes for the current year or which would not be payable within one year, as the case may be, may be originated by a majority vote of the board of trustees or by petition of not less than 100 property owners or 10% of all the property owners, whichever is less, who own property within the county service area or by petition of not less than 10% of all the qualified voters residing in the county service area.

(b) The proposal shall specify the particular purpose for which the indebtedness is to be created, the amount in money of bonds which it is proposed to issue and the name and number of the county service area.

(2) After the proposal has been made, the board of trustees, as expeditiously as possible, shall adopt a resolution fixing a time and place at which the proposal shall be heard, which time shall be not less than 30 nor more than 60 days after the date of adoption of the resolution.

(3) (a) The board of trustees shall immediately issue a notice of the time and place of hearing, which notice shall state that all persons who own property in the service area when the debt is payable solely from within the county service area or all persons residing in the county when the debt is countywide may appear at the hearing and contend for or protest against the incurrence of the debt and the holding of a bond election.

(b) If the service area has issued bonds, the notice shall include a statement of the amount of outstanding bonds of the service area and shall indicate whether the bonds are general obligations of the county or are payable solely from within the county service area.

(4) (a) The board of trustees shall cause the notice to be published once a week during four consecutive weeks in a newspaper of general circulation in the county, the first publication to be not more than 60 days nor less than 28 days prior to the date of the hearing.

(b) It is not necessary that the notice be published on the same day of the week in each of four calendar weeks, but not less than 20 days shall intervene between the first publication and the

last publication.

(5) At the time and place set for the hearing of the petition, or upon a subsequent date fixed at the original hearing the board of trustees shall proceed to hear the proposal and all matters in respect to a bond election.

(6) If, upon the hearing of the proposal, the board of trustees finds that due notice has been given and that the services under discussion would be for the benefit of all taxable property or the real property owners situated in the service area, then the board shall make and cause to be entered of record upon its minutes an order so finding, and shall proceed to call the bond election and, if a majority of those voting, vote in the affirmative, to issue the bonds in the manner provided.

(7) The board may reduce the amount in money of the bonds named in the petition.

(8) (a) If written protests are filed prior to the date fixed for the original hearing, signed by property owners owning taxable property in the service area with a taxable value in excess of 40% of the taxable value of all the taxable property within the service area, according to the last assessment roll for county taxes completed prior to the holding of the election or by 40% of all the qualified voters residing in the county service area or by 40% of all the qualified voters residing in the county, the board does not have authority to proceed with the calling of the election, and no new petition for a bond election in the service area may be entertained for a period of 12 months from that time.

(b) If written protests are filed and the board of trustees determines that the protests so filed represent less than the 40% required, a resolution or finding in writing of the board calling the election shall so recite and the recital shall be conclusive.

~~[(9) The provisions of this section and of Section 17A-2-407 with regard to publication of notice in a newspaper may be carried out concurrently.]~~

Section 10. Section **17A-2-530** is amended to read:

17A-2-530. Viewing of annexed land by board of trustees -- Assessment for taxation -- Board of equalization -- Hearing -- Notice -- Lien for taxes.

(1) The board of trustees shall, as soon as practicable after ~~[the recording of the order of]~~ an annexation of land to the district under Title 17B, Chapter 2, Part 5, Annexation:

- (a) view each tract of land so annexed to the district;
 - (b) carefully consider all the damages and benefits that each particular tract of land shall receive from the annexation to the drainage district and from the construction and maintenance of such drainage system; and
 - (c) assess each tract of land in accordance with the benefits to be received by it, making proper allowance for damage, if ~~[there be]~~ any.
- (2) After the assessment under Subsection (1) is made, ~~[the secretary of]~~ the board of trustees shall transmit the assessment to the county legislative body.
- (3) (a) The county legislative body shall:
- (i) at its next regular meeting fix a time and place where it shall sit as a board of equalization and equalize and determine the benefits and taxes to be assessed against the land; and
 - (ii) except as provided in Subsection (3)(b), publish a notice of the board of equalization hearing at least once each week for two consecutive weeks in a newspaper having general circulation in the county or counties where the drainage district is situated.
- (b) If the annexation resulted from a petition signed by all the owners of real property within the annexed area whose addresses were included in the petition, the county legislative body may, in lieu of the notice under Subsection (3)(a)(ii), give notice of the board of equalization hearing by mailing a copy of the notice to each owner of real property at the address stated in the petition.
- (c) (i) The first publication of the notice required under Subsection (3)(a)(ii) shall not be less than 15 days or more than 30 days prior to the date of the hearing.
- (ii) If the residence or post office address of an owner of the lands so annexed is known, the county clerk shall cause a copy of the notice and a copy of the proposed benefits to be sent by United States mail to the landowner at least 15 days prior to the time fixed for the hearing.
- (d) The notice shall state generally the purpose of the hearing and the time and place where the county legislative body shall meet as a board of equalization to hear and determine any complaint against the assessments.
- (4) (a) The county legislative body, at the time and place stated in the notice, shall sit as a board of equalization and shall make and determine the benefits to be assessed against each tract of

annexed land.

(b) The assessment of benefits shall be added to and made a part of the benefit assessment roll of the drainage district, and thereafter:

(i) all such lands, easements, or interests in land shall be assessed in accordance with the assessment roll; and

(ii) such assessment roll of benefits and taxes or user fees or charges shall be the basis of a lien upon the parcels of land or interest in land as thus equalized for all district purposes and indebtedness.

Section 11. Section **17A-2-622** is amended to read:

17A-2-622. Petition for bond election -- Petition requirements -- Notice and hearing -- Election regarding issuance of bonds.

(1) After a fire protection district has been created, a petition may be presented to the fire protection district board of trustees requesting the board to order an election to determine whether the bonds of the district shall be issued to the amount and for the purpose or purposes stated in the petition. [~~Such petition shall comply in all respects to the requirements of Section 17A-2-602 hereof,~~

~~except shall be made to the fire protection district board of trustees. After the filing of the petition, the board of trustees' procedure in respect to publication of notice, contents of notice, hearing and determination of petition, continuance, objections, determination of amount of bonds shall comply, as nearly as practicable, with Sections 17A-2-603 and 17A-2-604.]~~

(2) (a) Each petition under Subsection (1) shall be signed by 25% or more of the holders of title of real property, or documentary evidence of title, within the boundaries of the district whose names appear as such upon the last county assessment roll.

(b) If the petition is signed by all of the holders of title or documentary evidence of title within the boundaries of the district, a hearing on the petition and election shall be dispensed with.

(3) (a) The board of trustees shall set a time and place for hearing upon the petition, which shall be not less than four nor more than six weeks from the date of the filing.

(b) The board of trustees shall publish a notice of the time of the hearing once each week for three successive weeks, previous to the time of the hearing, in a newspaper published within the

county, or if there is no newspaper so published, then by posting the notice in at least three public places in the district for a period of 15 days.

(c) Each notice under Subsection (3)(b) shall state that any taxpayer within the district may appear on the date fixed for the hearing and offer objection to the issuance of bonds of such district.

(4) (a) At the time and place fixed for the hearing on the petition or at any adjournment or adjournments of the hearing, which shall not extend the time for determining the petition for more than 30 days in all from the original date of hearing, the board of trustees shall hear the petition and all competent and relevant evidence, oral or written, in support of or in objection to the petition.

(b) The board of trustees shall, after a full hearing, determine whether an election should be held on the question of issuing the bonds.

[~~(2)~~] (5) Adoption of [~~the~~] a resolution calling the election, determination of voters' qualifications, notice and conduct of the election, and the canvass of election results shall be accomplished in the manner prescribed in Title 11, Chapter 14, Utah Municipal Bond Act. The fire protection district board of trustees, for purposes of the election, may treat the entire district as a single precinct or divide the district into several precincts and it may fix such polling places as they consider appropriate.

Section 12. Section **17A-2-706** is amended to read:

17A-2-706. Regular election of district for electing board members -- Election provisions -- Official bond -- Fiscal agents.

(1) [~~The~~] Except as provided in Subsection (2), the regular election of the district, for the purpose of electing a board of trustees, shall be held according to the procedures and requirements of Title 17A, Chapter 1, Part 3, Special District Board Selection Procedures.

(2) (a) Each ballot used in an election under Subsection (1) shall contain the names of the persons to be voted for as members of the board of trustees.

(b) Each landowner may vote for three trustees, one for each division.

(c) Each elector is entitled to cast one vote for each acre-foot of water or fraction of acre-foot allotted to the land owned by the elector.

(d) The board of trustees shall:

(i) meet on the first Monday next succeeding the election under Subsection (1) and canvass the returns of the election;

(ii) declare the persons receiving the highest number of votes for the several offices to be duly elected to the office; and

(iii) file the returns with the county clerk.

[~~(2)~~] (3) (a) If any district organized under this part is appointed fiscal agent of the United States or is authorized by the United States to collect money for and on behalf of the United States in connection with any federal project, each trustee shall execute an additional official bond in whatever sum that the Secretary of the Interior requires, conditioned upon the faithful discharge of the duties of the trustee's office.

(b) The district shall execute an additional bond for the faithful discharge by the district of its duties as fiscal or other agent of the United States under that appointment or authorization.

(c) Those additional official bonds shall be filed in the office of the county clerk.

(d) The United States or any person injured by the failure of a trustee or of the district to fully, promptly, and completely perform their respective duties may sue upon those official bonds.

Section 13. Section **17A-2-714** is amended to read:

17A-2-714. Judicial notice -- Presumptions as to organization.

[~~Judicial~~] For a district created before March 23, 1998, judicial notice shall be taken in all actions, suits, and judicial proceedings in any court of this state of the organization and existence of any irrigation district of this state, [~~now or hereafter organized,~~] from and after the filing in the office of the county clerk of the order of the county legislative body [~~mentioned in Section 17A-2-705~~] creating the district and a certified copy of the order shall be prima facie evidence in all actions, suits and proceedings in any court of this state of the regularity and legal sufficiency of all acts, matters, and proceedings [~~therein recited and set forth~~] relating to the creation of the district; and any such irrigation district, in regard to which any such order has been heretofore or may hereafter be [~~entered~~]

issued, and which has exercised or shall exercise the rights and powers of such a district, and shall have had or shall have in office a board of trustees exercising the duties of their office, the legality or regularity of the formation or organization whereof shall not have been questioned by proceedings

in quo warranto instituted in the district court of the county in which such district or the greater portion thereof is situated within one year from the date of such filing, shall be conclusively considered to be a legally and regularly organized, established and existing irrigation district within the meaning of this part, and its due and lawful formation and organization shall not thereafter be questioned in any action, suit or proceeding whether brought under the provisions of this part or otherwise.

Section 14. Section **17A-2-715** is amended to read:

17A-2-715. Issuance of bonds -- Special election -- Contract with the United States -- Additional bonding -- Validation of previous issues.

For the purpose of constructing or purchasing or acquiring necessary reservoir sites, reservoirs, water, water filings, water rights, canals, ditches and works, stock of irrigation, canal, or reservoir companies, and other necessary property and rights, for the assumption of any indebtedness to the United States, for the purpose of paying interest upon the bonds herein authorized during the period of construction and for not more than four years thereafter, and otherwise carrying out the provisions of this part, the board of trustees of any such district shall as soon after such district has been organized as may be practicable, estimate and determine the amount of money necessary to be raised for such purposes, and shall forthwith call a special election, at which election shall be submitted to the landowners of such district, possessing the qualifications prescribed by this part, the question of whether or not the bonds of the district shall be issued in the amount so determined. Notice of such election shall be given by posting notice in one public place in each election precinct in the district for at least 20 days, and also by publication in the manner prescribed in [~~Section 17A-2-702~~] Subsection 17A-2-751(2). Such notice shall specify the time of holding the election, the amount and purpose of bonds proposed to be issued, and the election must be held and the result thereof determined and declared in all respects as nearly as possible in conformity with the provisions of this part governing the election of officers; provided, that no informalities in conducting such election shall invalidate the same, if the elections have been otherwise fairly conducted. At such election, the ballots shall contain the words "Bonds -- Yes," or "Bonds -- No," or words equivalent thereto. If a two-thirds majority of the votes cast at such election are "Bonds

--Yes," the board of trustees shall cause the bonds to be executed and payable in series as follows, to wit:

Not later than at the expiration of 11 years, and annually, after the date of first payment of principal amount, a certain percentage, not less than 3%, of the whole amount and number of the bonds; at the expiration of the final period for which the bonds have been issued, which period shall in no event exceed 40 years, a percentage sufficient to pay off the remainder of the bonds; that the several enumerated percentages be of the entire amount of the bond issue; that each bond must be payable at the given time for its entire amount, and not for percentage. That the bonds shall bear interest at the rate of not to exceed 6% per annum, payable semiannually on the 1st day of June and December of each year.

The principal and interest shall be payable at the office of the county treasurer of the county in which the organization of the district was effected as aforesaid, and at such other places as the board of trustees may designate in such bonds. The bonds shall be each of the denomination of not less than \$100, nor more than \$1,000, shall be negotiable in form, executed in the name of the district and signed by the chair and secretary and the seal of the district shall be affixed thereto. Bonds deposited with the United States may call for the payment of such interest not exceeding 6% per annum, may be of such denomination, and may call for the repayment of the principal at such times as may be agreed upon between the board and the United States, and where contract is made and bonds are not deposited with the United States, the contract may likewise call for the repayment of the principal at such time as may be agreed upon. The bonds shall be numbered consecutively as executed and bear the date of authorization. Coupons for the interest shall be attached to each bond bearing the printed or lithographed facsimile of the signature of the chair and the secretary. The bonds shall express on their face that they are issued by the authority of this part, stating its title and date of approval. The secretary shall keep a record of the bonds sold, their number, date of sale, the price received, the name of the purchaser and may keep a transfer register; provided, any such district may provide for the issuance of bonds that will mature in any number of years less than 40, and arrange for the payment thereof, in series as above provided; provided, further, that when the money obtained from any previous issue of bonds has become exhausted by expenditures, herein authorized

therefor, and it becomes necessary to raise additional money for such purposes, additional bonds may be issued after submitting the question at a special election to the qualified voters of the district, and otherwise complying with the provisions of this section in respect to an original issue of such bonds; provided, also that the lien for taxes, for the payment of interest and principal for any bond issue, or for any indebtedness under any contract with the United States for or with which bonds have not been deposited, shall be a prior lien to that of any subsequent bond issue.

All bonds heretofore executed by any irrigation district wherein the proceedings for the organization of such district and authorizing the issuance of such bonds have been approved and confirmed by the district court of the judicial district within which such irrigation district is located, are hereby confirmed and validated.

Section 15. Section **17A-2-730** is amended to read:

17A-2-730. Exclusion of lands from district.

[Lands] (1) Land may be [~~included in or~~] excluded from [~~any~~] an irrigation district[~~, now or hereafter organized under the provisions of~~] as provided in this part[~~, in the manner herein prescribed; but any such inclusion or~~].

(2) An exclusion of [~~lands shall~~] land may not impair or affect the district organization or its rights in or to property, or any of its rights or privileges [~~of whatsoever kind or nature~~], nor [~~shall~~] may it affect, impair, or discharge any contract, obligation, lien, or charge for or upon which it was or might become liable or chargeable had [~~such inclusion or~~] the exclusion [~~of lands~~] not [~~been made; provided that in case~~] occurred.

(3) If a contract has been made between the district and the United States as provided in this part, no [~~lands shall~~] land may be [~~included in or~~] excluded from the district until the United States [~~shall assent thereto~~] consents in writing to the exclusion and [~~such assent be~~] the consent is filed with the board of [~~directors~~] trustees.

Section 16. Section **17A-2-738** is amended to read:

17A-2-738. Redivision of districts.

At least 30 days before the next general election of [~~such~~] a district[~~, after the inclusion~~] under this part following an annexation of lands under Title 17B, Chapter 2, Part 5, Annexation, that

occurs on or after June 1, 2001, or following an exclusion of land under this part, the board of ~~[directors thereof]~~ trustees shall make an order redividing ~~[such]~~ the district into three divisions as nearly equal in size as ~~[may be]~~ practicable~~[-which]~~. The divisions shall be numbered first, second, and third, and one ~~[director]~~ trustee shall ~~[thereafter]~~ be elected from each division.

Section 17. Section **17A-2-741** is amended to read:

17A-2-741. Notice of petition -- Objections.

The secretary of the board of trustees shall cause a notice of the filing of such petition to be published as in ~~[Section 17A-2-702]~~ Subsection 17A-2-751(2) provided; or if no newspaper be published as therein provided, then by posting such notice for the same time in at least three public places in the district, and in case of the posting of those notices, one of the notices shall be so posted on the lands proposed to be excluded. The notice shall state the filing of such petition, the names of the petitioners, description of the lands mentioned in the petition, and the prayer of the petitioners; and it shall notify all persons interested to appear at the office of the board at a time named in the notice, and show cause in writing, if any they have, why the petition should not be granted. The time to be specified in the notice at which they shall be required to show cause shall be the regular meeting of the board next after the expiration of the time for the publication of the notice. The petitioner or petitioners shall advance to the secretary sufficient money to pay the estimated cost of all proceedings under such petition before the secretary shall give such notice.

Section 18. Section **17A-2-749** is amended to read:

17A-2-749. Special proceedings for judicial examination.

The board of trustees of an irrigation district ~~[organized under the provisions of this part]~~ may commence special proceedings, in and by which all proceedings had in the organization of the district or in and by which its acts and the acts of the district in authorizing the issue and sale of the bonds of the district or providing for the authorization of contract with the United States and the validity of such contract, whether the bonds or any of them have or have not been sold or disposed of, or such contract or proposed contract shall or shall not have been actually signed by the United States or the district, may be judicially examined, approved and confirmed.

Section 19. Section **17A-2-751** is amended to read:

17A-2-751. Notice -- Contest -- Time for hearing.

(1) The court shall fix the time for the hearing of the petition and shall order the clerk of the court to give and publish notice of the filing of the petition. ~~[The notice shall be given and published as in Section 17A-2-702.]~~

(2) (a) The notice required under this section shall be published once a week for three consecutive weeks in a newspaper of general circulation in the county or, if the district is located in more than one county, in the counties in which the district is located, with the last publication being at least one week before the date set for the hearing.

(b) The notice shall state the time and place fixed for the hearing of the petition and the prayer of the petitioners, and that any person interested in the organization of the district, or in the proceedings for the issue or sale of the bonds, or in the making of contract with the United States, may, on or before the day fixed for the hearing of the petition, ~~[demur to or]~~ answer the petition.

(c) The petition may be referred to and described in the notice as the petition of the board of trustees of _____ irrigation district (giving its name) praying that the proceedings for the issue and sale of the bonds of the district, or that the proceedings for the contract with the United States, or the proceedings had for the organization of the district and the validity thereof, be examined, approved and confirmed by the court.

Section 20. Section **17A-2-752** is amended to read:

17A-2-752. Parties -- Appearances -- Practice and procedure.

Any person interested in the district, or in the issue or sale of the bonds, or in the making of contract with the United States, may ~~[demur to or]~~ answer the petition. The provisions of the Code of Civil Procedure respecting the ~~[demurrer and]~~ answer to a verified complaint shall be applicable to ~~[a demurrer and]~~ an answer to the petition. The person so ~~[demurring or]~~ answering the petition shall be the defendant to the special proceedings, and the board of trustees shall be the plaintiff. Every material statement of the petition not specifically controverted by the answer shall, for the purpose of the special proceedings, be taken as true, and each person failing to answer the petition shall be considered to admit as true all the material statements of the petition. The rules of pleading and practice relating to appeals and writs of error provided by the Rules of Civil Procedure which

are not inconsistent with the provisions of this part are applicable to the special proceedings herein provided for.

Section 21. Section **17A-2-754** is amended to read:

17A-2-754. Transfer of water rights -- Notice to landowners.

The board of trustees of any irrigation district, with the consent of the bondholders and other creditors, may sell, transfer, and convey the water rights and all or any other property belonging to the district to any irrigation company; provided, however, that no such sale, transfer, or conveyance shall be made until notice of the intention of the board to make the same shall have been published, as in [~~Section 17A-2-702~~] Subsection 17A-2-751(2), and mailed to each landowner in the district at his last known address at least 30 days prior to the expiration of the time fixed for protest, and provided further that no such sale, transfer, or conveyance shall be made if within 30 days from the last publication of such notice the owners of 1/3 of the acre-feet of water allotted in the district file with the board their written protest against such sale, transfer, or conveyance.

Section 22. Section **17A-2-758** is amended to read:

17A-2-758. Local improvement districts.

In the event the board shall find the proposed local improvement feasible, it shall approve the petition, fix a time and place for the hearing thereof, and shall publish notice thereof, as in [~~Section 17A-2-702~~] Subsection 17A-2-751(2), stating that the certain lands, describing them, are proposed to be organized as a local improvement district and stating generally the nature of the proposed improvements; that warrants for such local improvement are proposed to be issued as the warrants of the irrigation district; and that the lands within the local improvement district are to be assessed for such improvement. At the time and place of hearing named in the notice all persons interested may appear before the board and show cause for or against the formation of the proposed improvement district and the issuance of warrants as aforesaid. Upon the hearing the board shall determine whether or not the proposed local improvement district shall be established. Any landowner whose lands can be served or will be benefitted by the proposed improvement may make application to the board at the time of hearing to include such lands, and the board of trustees in such case may, at their discretion, include such lands within such district. The board of trustees may

exclude any land specified in the notice from the district, provided that in the judgment of the board the inclusion thereof will not be practicable.

Section 23. Section **17A-2-759** is amended to read:

17A-2-759. Establishment -- Limit as to costs -- Authorization -- Construction warrants -- Orders.

If the board determines in favor of the improvement it shall enter an order establishing the improvement district and shall list and plat lands included therein, and shall adopt plans for the proposed improvement, estimate the cost, and determine the number of equal annual installments, in which the cost of the improvement shall be paid; provided, however, that no local improvement, the cost of which will exceed \$10,000 and be less than \$25,000, may be undertaken unless such improvement is first authorized and ratified, in writing, by a majority of the landowners within the local improvement district; nor may any improvement the cost of which will exceed \$25,000 be undertaken unless first authorized and ratified, in writing, by a two-thirds majority of the landowners within the local improvement district, and not then if protests, in writing, signed by landowners of the irrigation district having a majority of the votes according to the number of votes cast at the last election, be submitted within 30 days after completion of publication of notice of the proposed improvement, published as in ~~[Section 17A-2-702]~~ Subsection 17A-2-751(2). The cost of such improvement shall be paid by the issuance of the warrants of the district, from time to time, therefor, either directly for the payment of the labor and material or for the securing of the funds for such purposes. The warrants shall bear interest at a rate of not to exceed 7% per annum, payable semiannually, and shall state upon their face that they are issued as warrants of the irrigation district for the benefit of the local improvement district within the irrigation district, that all lands within the local improvement district shall be primarily liable to assessment for the principal and interest of the warrants, and that such warrants are also a general obligation of the district. No warrant may be issued in denomination exceeding \$500 and no warrant shall be sold for less than par. A copy of the order establishing any local improvement district, together with list and plat of lands included, certified by the chair and secretary, shall be filed in the office of the clerk of the county in which the lands are located and recorded in ~~[accordance with the provisions of Section 17A-2-705 relating to~~

~~the filing and recording of the order declaring the organization of the irrigation district] the office of the recorder of the same county.~~

Section 24. Section **17A-2-801** is amended to read:

17A-2-801. Title.

~~This act shall be known as the "Metropolitan Water District Act," [and shall apply to the incorporation, organization, government, maintenance and operation of the water districts herein provided for and described, and to the board of trustees herein referred to:]~~

Section 25. Section **17A-2-803** is amended to read:

17A-2-803. Purpose of metropolitan water district.

~~[(1) Metropolitan] A metropolitan water [districts] district may [be organized hereunder for the purpose of acquiring, appropriating, developing, storing, selling, leasing and distributing] acquire, appropriate, develop, store, sell, lease, and distribute water for, and [devoting] devote water to, municipal and domestic purposes, irrigation, power, milling, manufacturing, mining, metallurgical and any and all other beneficial uses[-, and such district may be formed of the territory included within the corporate boundaries of any one or more municipalities, which need not be contiguous, and may be organized and incorporated and thereafter governed, maintained and operated as herein provided, and when so incorporated shall have and exercise such powers as are herein expressly granted, together with such powers as are reasonably implied herefrom and necessary and proper to carry out the objects and purposes of such incorporated districts. Each such district when so incorporated shall be a separate and independent political corporate entity].~~

~~[(2) All provisions of this part that establish, govern, or state the requirements and procedure for the creation of a metropolitan water district:]~~

~~[(a) are superseded by the provisions of Title 17B, Chapter 2, Part 2, Creation of Local Districts, with respect to the creation of a metropolitan water district, and]~~

~~[(b) remain valid to the extent they establish, govern, or state the requirements or procedure for annexation to an existing metropolitan water district.]~~

Section 26. Section **17A-2-842** is amended to read:

17A-2-842. Withdrawal from metropolitan water district.

~~[Any]~~ (1) A municipality whose corporate area has become or is a part of ~~[any]~~ a metropolitan water district may withdraw ~~[therefrom in the following manner:]~~ from the district as provided in this section.

(2) The ~~[governing]~~ legislative body of any such municipality may submit to the ~~[electors thereof]~~ voters of the municipality at any general or special election the proposition of withdrawing from ~~[any]~~ a metropolitan water district ~~[incorporated thereunder]~~. ~~[Notice of such election shall be given in the manner provided in Subsection 17A-2-841(3)(c). Such]~~

(3) The municipal legislative body shall give notice of the election by:

(a) posting the notice at least ten days and in three public places in the municipality; or

(b) publishing the notice once in a newspaper of general circulation in the municipality at least ten days before the date fixed for the election.

(4) (a) Each election under this section shall be conducted and the returns ~~[thereof]~~ canvassed in the manner provided by law for the conduct of municipal elections in the ~~[city]~~ municipality. ~~[In the event that the]~~

(b) If a majority of the electors voting [thereon] on the withdrawal question vote in favor of ~~[such]~~ withdrawal, the result ~~[thereof]~~ shall be certified by the ~~[governing]~~ legislative body of ~~[such]~~ the municipality to the board of trustees of the district. ~~[A certificate of the proceedings hereunder shall be made by the]~~

(5) (a) The secretary of the district shall prepare and [filed] file with the lieutenant governor[; and upon] a certificate of the withdrawal proceedings.

(b) Upon the filing of [such] a certificate under Subsection (5)(a), the area of the municipality [so] withdrawing shall be excluded from the metropolitan water district[;] and shall no longer be a part [thereof; provided, however, that the property] of the district.

(6) Property within the municipality [as it exists] that is within the withdrawn area at the time of [such] the exclusion shall continue taxable for the purpose of paying the bonded and other indebtedness outstanding or contracted for, at the time of such exclusion and until such bonded or other indebtedness has been satisfied.

Section 27. Section **17A-2-1048** is amended to read:

17A-2-1048. Board of trustees representation for newly annexed area.

~~[Additional municipalities and county areas may be included within or become part of a district by either of the following methods:]~~

~~[(1) If any area is annexed to or consolidated with any municipality which is a part of a district organized under these provisions, the annexed or consolidated area shall by virtue of its annexation or consolidation become part of the district and be taxable in accordance with the provisions of this part to pay the indebtedness of the district outstanding at the time of annexation or consolidation.]~~

~~[(2) The governing body of any municipality or of any county may apply to and obtain from the comptroller of the district a financial statement showing the financial condition of the district, its assets and liabilities, taxable value of taxable property according to the last assessment, and the names of the municipalities and a description of other areas included in the district. After consideration of the statement, the governing body of the municipality or county may apply to the board of trustees of the district for consent to annex the municipality or described county area. The board of trustees after reasonable notice and public hearing may grant or deny the application and in granting it may fix the terms and conditions upon which the area may be annexed. The action of the board of trustees evidenced by order made on motion shall be promptly transmitted to the governing body or bodies of the entities applying for annexation, which shall promptly submit the proposition of annexation to the qualified electors of the area. Notice of election shall be given by posting or publication. When notice is given by posting, notice shall be posted for at least ten days in three public places in each area to be annexed. When notice is given by publication, notice shall be published at least once ten days before the date fixed for election in a newspaper of general circulation in the municipality and county area. Publication may be made in one newspaper having general circulation in each of the areas sought to be annexed. Notice shall contain the substance of the terms and conditions fixed by the board of trustees. Elections shall be conducted and returns canvassed by the governing bodies of the areas seeking annexation. If the annexation proposition receives the affirmative vote of a majority of the electors, the governing body of the municipality or county shall certify the election results to the board of trustees of the district and a certificate of~~

~~proceedings shall be made by the secretary of the district and filed with the lieutenant governor. Upon filing the certificate in the office of the lieutenant governor, the municipality or county area shall become an integral part of the district and the taxable property in the municipality or area subject to taxation for the purposes of the district, including the payment of bonds and other obligations of the district at the time authorized or outstanding.]~~

~~[(3) No action to contest the validity of annexation proceedings may be commenced more than three months after the certificate of proceedings is filed with the lieutenant governor.]~~

~~[(4)] Upon the completion of an annexation under Title 17B, Chapter 2, Part 5, Annexation, the annexed area shall have a representative on the board of trustees on the same basis as it would have had if it had been included in the district as originally organized.~~

Section 28. Section **17A-2-1049** is amended to read:

17A-2-1049. Withdrawal from public transit district.

(1) Any municipality or unincorporated county area may withdraw from the district as provided in [the following manner:] this section.

(2) (a) The ~~[governing]~~ legislative body of ~~[such]~~ a municipality seeking withdrawal, or, for an unincorporated area seeking withdrawal, the county, may submit to the electors at a special election a proposition for withdrawal from the district.

(b) Notice of election shall be given ~~[in the manner provided in Section 17A-2-1048:]~~ by:

- (i) posting notice for at least ten days in three public places in each area to be withdrawn;
or
(ii) publishing notice in a newspaper of general circulation in each municipality and unincorporated county area seeking withdrawal at least once ten days before the date of the election.

(3) Elections shall be conducted and returns canvassed in the manner provided by law for the conduct of municipal elections.

(4) (a) If a majority of the electors voting ~~[thereon]~~ on the withdrawal question vote in favor of withdrawal, the result ~~[thereof]~~ shall be certified by the ~~[governing]~~ legislative body of the municipality or, for an unincorporated area, the county, to the board of trustees of the district and filed with the lieutenant governor.

(b) Withdrawal shall become effective upon filing the certificate with the lieutenant governor.

(5) Taxable property within the withdrawn area at the time of exclusion shall continue taxable for purposes of paying any bonded indebtedness or judgments against the district incurred prior to the date of withdrawal.

Section 29. Section **17A-2-1420** is amended to read:

17A-2-1420. Organization of subdistricts -- Authority -- Bonds -- Board of trustees -- Powers -- Validation of proceedings -- Separability clause.

(1) Subdistricts may be organized upon the petition of owners of real property, within or partly within and partly without the district, which petition shall be in substantially the same form and shall fulfill the same requirements concerning the subdistricts as the petition outlined in ~~[Section 17A-2-1404]~~ Subsection 17B-2-203(1) is required to fulfill concerning the organization of the main district. The petition shall also contain a statement of the initial quantity of water which the subdistrict proposes to acquire from the district for perpetual use~~[, and the court shall, prior to the entry of its decree organizing a subdistrict, require that the]~~. The petitioners shall attach to the petition written evidence of the consent of the board of trustees of the district to furnish each subdistrict the perpetual use of water for the purpose specified. ~~[Petitions for the organization of subdistricts shall be filed with the clerk of the court and shall be accompanied by a bond as provided for in Section 17A-2-1405.]~~ The procedure for the organization of subdistricts shall be the same as for the organization of districts~~[, except that the provisions of Section 17A-2-1404 respecting the minimum taxable value of land and improvements within districts does not apply to subdistricts]~~. A subdistrict shall be a separate entity within the district, may contract with the district for the furnishing of water and for other purposes, and in addition to any other authority granted under this part, may issue its bonds pursuant to and in conformity with the provisions of this part for the following purposes: (a) acquiring or constructing all or part of an irrigation water system to be operated by the subdistrict for the purpose of providing irrigation water for agricultural and residential land within the boundaries of the subdistrict, including as a part of the subdistrict, the purchase or acquisition of stock in canal companies, water companies, and water users' associations

and the acquisition or purchase of water rights and sources of water supply; and (b) constructing water pipelines and storage works, purchase of water and water rights, operation of waterworks systems for the purpose of providing municipal water within the boundaries of the subdistrict and for this purpose the subdistrict board has the same powers, rights, and privileges granted to a district board referred to in Sections 17A-2-1413, 17A-2-1421, 17A-2-1422, and 17A-2-1424, to carry out its separate purposes under the provisions of this part. The subdistrict board may contract with the district for the furnishing of water for the purposes as stated in the initial petition as well as other purposes. Within 30 days after entering the decree incorporating a subdistrict, the county legislative body of the county shall appoint a board of trustees of the subdistrict not exceeding seven persons who are owners of real property in the subdistrict and who are not trustees of the district. Vacancies in subdistricts shall be filled by the county legislative body of the county. The board of trustees of a subdistrict has all of the powers, rights, and privileges granted to a district board, including specifically, but not limited to, the right of the subdistrict board to levy and collect taxes and assessments referred to in Sections 17A-2-1423 through 17A-2-1430, to carry out its separate purposes, including the payment of principal and interest on bonds payable in whole or in part from the proceeds of assessments and taxes levied under this part issued by the subdistrict under this part. These taxes and assessments may be levied and collected by a subdistrict, notwithstanding the fact that taxes and assessments are being levied and collected by the district in which the subdistrict may lie, to carry out the district purposes; but the taxes levied and collected pursuant to Section 17A-2-1423 may not exceed .0002 per dollar of taxable value of taxable property within the subdistrict to pay the expenses of its organization and administration and may not exceed .0002 per dollar of taxable value of taxable property for all purposes.

(2) Each subdistrict created under this section may exercise all powers granted to subdistricts under this part, it being expressly found and determined that all taxable property lying in each subdistrict will be benefitted by the acquisition or construction of the improvements acquired or constructed by the district to an amount not less than the aggregate of the taxes and assessments levied against the property to pay for the cost of acquisition or construction. Wherever proceedings are adopted under authority of this part purporting to create any subdistrict, all proceedings in

connection with the creation of each subdistrict are validated, ratified, and confirmed, notwithstanding any failure to comply with any one or more pertinent statutory provisions; and each subdistrict is declared to be a validly created and existing subdistrict under authority of law.

(3) If any provision of this part, or the application of any provision to any person or circumstance, is held invalid, the remainder of this part is not affected.

Section 30. Section **17A-2-1821** is amended to read:

17A-2-1821. Annexation areas to be included in election districts.

~~[(1) The board of trustees shall annex the area by enacting a resolution that:]~~

~~[(a) declares the area to be annexed;]~~

~~[(b) determines and establishes the boundaries of the area that is annexed, which may not exceed the territory that had been proposed to be annexed; and]~~

~~[(c) sets forth in detail whether the services are to be paid for by a property tax, service charge, or a combination of both.]~~

~~[(2) If an election has been held as provided in Section 17A-2-1820, and a majority of the qualified electors voting on the proposed annexation vote in favor of the annexation, the board of trustees shall adopt the resolution required under Subsection (1).]~~

~~[(3) The resolution may contain any changes that the board of trustees considers necessary, including the reduction of the boundaries of the annexation area.]~~

~~[(4) (a) The board of trustees shall file a certified copy of the annexation resolution with:]~~

~~[(i) the recorder of the county where the regional service area is located; and]~~

~~[(ii) the State Tax Commission, along with evidence that the information has been recorded by the county recorder.]~~

~~[(b) Upon the filing with the county recorder, the annexation shall be complete and the area described in the annexation resolution shall be part of the regional service area.]~~

~~[(5) (a) Any aggrieved property owner or person qualified to vote, who has filed a signed written protest within 90 days after the end of the hearing, may appeal the decision of the board of trustees to annex the area to the district court.]~~

~~[(b) In the appeal, the district court shall affirm the annexation unless the protesting property~~

~~owner or qualified elector can establish by clear and convincing evidence:]~~

~~[(i) that the board of trustees failed substantially to follow the procedural requirements for annexation under this part; or]~~

~~[(ii) that written protests were timely filed as required by Section 17A-2-1819:]~~

~~[(c) If an appeal is not filed within 30 days after the effective date of the resolution annexing the area, the annexation shall be final and conclusive.]~~

~~[(6) (a) If the annexation is based upon a referendum election as provided in Section 17A-2-1820, any person qualified to vote who voted against the annexation in the referendum election may appeal the annexation to the district court.]~~

~~[(b) In the appeal, the district court shall affirm the annexation unless the registered voter challenging the annexation can establish by clear and convincing evidence:]~~

~~[(i) that there was an irregularity in the election that affected the outcome of the vote; or]~~

~~[(ii) that a majority of the qualified persons casting ballots in the referendum election voted against annexation:]~~

~~[(c) If an appeal is not filed within 30 days after the effective date of the resolution annexing the area pursuant to a referendum election, the annexation shall be final and conclusive.]~~

~~[(7) (a) Upon a signed petition by the property owner or person qualified to vote made within the time for filing protests as provided in Section 17A-2-1819, the board of trustees shall exclude land from the area to be annexed if:]~~

~~[(i) the land is contiguous to other land not included in the regional service area; and]~~

~~[(ii) the board of trustees finds that the land, the real property owner, or the residents of the land will not benefit from any of the services provided or proposed to be provided by the regional service area.]~~

~~[(b) The land may be included within the boundaries of the regional service area at the request of the owner.]~~

~~[(8)]~~ If the regional service area has been divided into election districts, all ~~[annexed]~~ areas annexed to the regional service area under Title 17B, Chapter 2, Part 5, Annexation, shall be included in a trustee election district.

~~[(9) Voter registration records of the county shall be conclusive evidence of residency in the annexation area.]~~

Section 31. Section **17A-3-244**, which is renumbered from Section 17A-2-326 is renumbered and amended to read:

~~[17A-2-326].~~ **17A-3-244. Dissolution of districts -- Payment of claims.**

Any special improvement district created under ~~[the authority of Chapter 2, Part 3 or Chapter 3, Part 2,]~~ this part may be dissolved by order of the district court of the county in which it was created, upon a hearing had upon a petition to the court signed by the governing body of the district. Said petition shall recite the reasons for the dissolution, that a resolution has been adopted to dissolve the district, that all claims and demands against the district have been paid or that provision has been made for the payment thereof.

The court shall fix a day for the hearing thereon, not less than 30 or more than 60 days after the petition is filed, and shall order that the clerk publish a notice of the said petition and hearing in a newspaper of general circulation once a week for four successive weeks prior to such hearing. Such notice shall specify the district to be dissolved, the date, time and place of said hearing, and shall provide that all persons who have any objections to the dissolution of said district shall file such objections in the office of said clerk of said court at or prior to the date of said hearing, and all persons who have any claim against said district must present the same duly itemized and verified by the affidavit of the claimant at or prior to the time of said hearing or be forever barred from thereafter asserting said claims, and said notice shall be signed by the clerk of said court. No district shall be ordered dissolved until said claims shall have been paid or until provision has been made for the payment thereof, either by the levying and collecting of assessments or by other means approved by the court.

Section 32. Section **17B-2-101** is amended to read:

17B-2-101. Definitions.

As used in this chapter~~["local"]~~:

(1) "Local district" means a local government entity, created according to the provisions of Part 2, Creation of Local Districts, that is not a general purpose government entity but is a separate

legal and corporate entity and a political subdivision of the state, authorized to provide limited services in a defined geographic area, as provided in Part 2, Creation of Local Districts.

(2) "Municipal" means of or relating to a municipality.

(3) "Municipality" means a city or town.

(4) "Political subdivision" means a county, city, town, local district under this chapter, independent special district under Title 17A, Chapter 2, Independent Special Districts, an entity created by interlocal cooperation agreement under Title 11, Chapter 13, Interlocal Cooperation Act, or any other governmental entity designated in statute as a political subdivision of the state.

(5) "Private," with respect to real property, means not owned by the United States or any agency of the federal government, the state, a county, a municipality, a school district, an independent special district under Title 17A, Chapter 2, Independent Special Districts, a local district, or any other political subdivision of the state.

(6) "Unincorporated" means not included within a municipality.

Section 33. Section **17B-2-102** is enacted to read:

17B-2-102. Property owner provisions.

(1) For purposes of this chapter:

(a) the owner of real property shall be the fee title owner according to the records of the county recorder on the date of the filing of the request or petition; and

(b) the value of private real property shall be determined according to the last assessment before the filing of the request or petition, as determined by:

(i) the county under Title 59, Chapter 2, Part 3, County Assessment, for property subject to assessment by the county;

(ii) the State Tax Commission under Title 59, Chapter 2, Part 2, Assessment of Property, for property subject to assessment by the State Tax Commission; or

(iii) the county, for all other property.

(2) For purposes of each provision of this chapter that requires the owners of private real property covering a percentage of the total private land area within the proposed local district to sign a request, petition, or protest:

(a) a parcel of real property may not be included in the calculation of the required percentage unless the request or petition is signed by:

(i) except as provided in Subsection (2)(a)(ii), owners representing a majority ownership interest in that parcel; or

(ii) if the parcel is owned by joint tenants or tenants by the entirety, 50% of the number of owners of that parcel;

(b) the signature of a person signing a request or petition in a representative capacity on behalf of an owner is invalid unless:

(i) the person's representative capacity and the name of the owner the person represents are indicated on the request or petition with the person's signature; and

(ii) the person provides documentation accompanying the request or petition that reasonably substantiates the person's representative capacity; and

(c) subject to Subsection (2)(b), a duly appointed personal representative may sign a request or petition on behalf of a deceased owner.

Section 34. Section **17B-2-201** is amended to read:

17B-2-201. Definitions.

~~[(1)]~~ As used in this part:

~~[(a)]~~ (1) "Applicable area" means:

~~[(i)]~~ (a) for a county, the unincorporated area of the county that is included within the proposed local district; or

~~[(ii)]~~ (b) for a municipality, the area of the municipality that is included within the proposed local district.

~~[(b)]~~ "Municipal" means of or relating to a municipality.]

~~[(c)]~~ "Municipality" means a city or town.]

~~[(d)]~~ (2) "Petition" means a petition under Subsection 17B-2-203(1)(a) or (b).

~~[(e)]~~ "Political subdivision" means a county, city, town, local district under this chapter, independent special district under Title 17A, Chapter 2, Independent Special Districts, or an entity created by interlocal cooperation agreement under Title 11, Chapter 13, Interlocal Cooperation Act.]

~~[(f) "Private," with respect to real property, means not owned by the United States or any agency of the federal government, the state, a county, a municipality, a school district, an independent special district under Title 17A, Chapter 2, Independent Special Districts, a local district, or any other political subdivision of the state.]~~

~~[(g)]~~ (3) "Property owner petition" means a petition under Subsection 17B-2-203(1)(a).

~~[(h)]~~ (4) "Property owner request" means a request under Section 17B-2-204 that is signed by owners of real property as provided in Subsection 17B-2-204(2)(b)(i).

~~[(i)]~~ (5) "Registered ~~[owner]~~ voter request" means a request under Section 17B-2-204 that is signed by registered voters as provided in Subsection 17B-2-204(2)(b)(ii).

~~[(j)]~~ (6) "Registered voter petition" means a petition under Subsection 17B-2-203(1)(b).

~~[(k)]~~ (7) "Request" means a request as described in Section 17B-2-204.

~~[(l)]~~ (8) "Responsible body" means the legislative body of:

~~[(i)]~~ (a) the municipality in which the proposed local district is located, if the petition proposes the creation of a local district located entirely within a single municipality;

~~[(ii)]~~ (b) the county in which the proposed local district is located, if the petition proposes the creation of a local district located entirely within a single county and all or part of the proposed local district is located within:

~~[(A)]~~ (i) the unincorporated part of the county; or

~~[(B)]~~ (ii) more than one municipality within the county; or

~~[(iii)]~~ (c) if the petition proposes the creation of a local district located within more than one county, the county whose boundaries include more of the area of the proposed local district than is included within the boundaries of any other county.

~~[(m)]~~ (9) "Responsible clerk" means the clerk of the county or the clerk or recorder of the municipality whose legislative body is the responsible body.

~~[(n)] "Unincorporated" means not included within a municipality.]~~

~~[(2) For purposes of this part:]~~

~~[(a) the owner of real property shall be the record title owner according to the records of the county recorder on the date of the filing of the request or petition, and]~~

~~[(b) the value of private real property shall be determined according to the last assessment before the filing of the request or petition, as determined by:]~~

~~[(i) the county under Title 59, Chapter 2, Part 3, County Assessment, for property subject to assessment by the county;]~~

~~[(ii) the State Tax Commission under Title 59, Chapter 2, Part 2, Assessment of Property, for property subject to assessment by the State Tax Commission; or]~~

~~[(iii) the county, for all other property.]~~

~~[(3) For purposes of each provision of this part that requires the owners of private real property covering a percentage of the total private land area within the proposed local district to sign a request, petition, or protest:]~~

~~[(a) a parcel of real property may not be included in the calculation of the required percentage unless the request or petition is signed by:]~~

~~[(i) except as provided in Subsection (3)(a)(ii), owners representing a majority ownership interest in that parcel; or]~~

~~[(ii) if the parcel is owned by joint tenants or tenants by the entirety, 50% of the number of owners of that parcel;]~~

~~[(b) the signature of a person signing a request or petition in a representative capacity on behalf of an owner is invalid unless:]~~

~~[(i) the person's representative capacity and the name of the owner the person represents are indicated on the request or petition with the person's signature; and]~~

~~[(ii) the person provides documentation accompanying the request or petition that reasonably substantiates the person's representative capacity; and]~~

~~[(c) subject to Subsection (3)(b), a duly appointed personal representative may sign a request or petition on behalf of a deceased owner.]~~

Section 35. Section **17B-2-217** is amended to read:

17B-2-217. Limitation on initiating process to create local district.

(1) Notwithstanding any other provision of this part, the process to create a local district under this part may not be initiated before ~~[June 1, 2001]~~ May 6, 2002.

(2) Subsection (1) does not prohibit the creation of one of the types of independent special districts listed in Subsection 17A-2-101(1) under the provisions of this part.

Section 36. Section **17B-2-501** is enacted to read:

Part 5. Annexation

17B-2-501. Definitions.

For purposes of this part:

(1) "Applicable area" means:

(a) for a county, the unincorporated area of the county that is included within the area proposed for annexation; or

(b) for a municipality, the area of the municipality that is included within the area proposed for annexation.

(2) "Retail" means, with respect to a service provided by a municipality, local district, or independent special district, that the service is provided directly to the ultimate user.

(3) "Wholesale" means, with respect to a service provided by a local district or independent special district, that the service is not provided directly to the ultimate user but is provided to a retail provider.

Section 37. Section **17B-2-502** is enacted to read:

17B-2-502. Annexation of area outside local district.

(1) An area outside the boundaries of a local district may be annexed to the local district, as provided in this part, in order to provide to the area a service that the local district provides.

(2) The area proposed to be annexed:

(a) may consist of one or more noncontiguous areas; and

(b) need not be adjacent to the boundaries of the proposed annexing local district.

Section 38. Section **17B-2-503** is enacted to read:

17B-2-503. Initiation of annexation process -- Petition and resolution.

(1) Except as provided in Sections 17B-2-515 and 17B-2-516, the process to annex an area to a local district may be initiated by:

(a) (i) for a district whose board of trustees is elected by electors based on the acre-feet of

water allotted to the land owned by the elector and subject to Subsection (2), a petition signed by the owners of all of the acre-feet of water allotted to the land proposed for annexation; or

(ii) for all other districts:

(A) a petition signed by the owners of private real property that:

(I) is located within the area proposed to be annexed;

(II) covers at least 10% of the total private land area within the entire area proposed to be annexed and within each applicable area; and

(III) is equal in assessed value to at least 10% of the assessed value of all private real property within the entire area proposed to be annexed and within each applicable area; or

(B) a petition signed by registered voters residing within the entire area proposed to be annexed and within each applicable area equal in number to at least 10% of the number of votes cast within the entire area proposed to be annexed and within each applicable area, respectively, for the office of governor at the last regular general election before the filing of the petition;

(b) a resolution adopted by the legislative body of each county whose unincorporated area includes and each municipality whose boundaries include any of the area proposed to be annexed;
or

(c) a resolution adopted by the board of trustees of the proposed annexing local district if, for at least 12 consecutive months immediately preceding adoption of the resolution, the local district has provided:

(i) retail service to the area; or

(ii) a wholesale service to a provider of the same service that has provided that service on a retail basis to the area.

(2) If an association representing all acre-feet of water allotted to the land that is proposed to be annexed to a local district signs a petition under Subsection (1)(a)(i), pursuant to a proper exercise of authority as provided in the bylaws or other rules governing the association, the petition shall be considered to have been signed by the owners of all of the acre-feet of water allotted to the land proposed for annexation, even though less than all of the owners within the association consented to the association signing the petition.

(3) Each petition and resolution under Subsection (1) shall:

(a) describe the area proposed to be annexed; and

(b) be accompanied by a map of the boundaries of the area proposed to be annexed.

(4) The legislative body of each county and municipality that adopts a resolution under Subsection (1)(b) shall, within five days after adopting the resolution, mail or deliver a copy of the resolution to the board of trustees of the proposed annexing local district.

Section 39. Section **17B-2-504** is enacted to read:

17B-2-504. Petition requirements.

(1) Each petition under Subsection 17B-2-503(1)(a) shall:

(a) indicate the typed or printed name and current residence address of each person signing the petition;

(b) separately group signatures by county and municipality, so that all signatures of the owners of real property located within or of registered voters residing within each county whose unincorporated area includes and each municipality whose boundaries include part of the area proposed for annexation are grouped separately;

(c) if it is a petition under Subsection 17B-2-503(1)(a)(i) or (ii)(A), indicate the address of the property as to which the owner is signing the petition;

(d) designate up to three signers of the petition as sponsors, one of whom shall be designated the contact sponsor, with the mailing address and telephone number of each;

(e) be filed with the board of trustees of the proposed annexing local district; and

(f) for a petition under Subsection 17B-2-503(a)(i), state the proposed method of supplying water to the area proposed to be annexed.

(2) By submitting a written withdrawal or reinstatement with the board of trustees of the proposed annexing local district, a signer of a petition may withdraw, or once withdrawn, reinstate the signer's signature at any time:

(a) before the public hearing under Section 17B-2-509 is held; or

(b) if a hearing is not held because of Subsection 17B-2-513(1) or because no hearing is requested under Subsection 17B-2-513(2)(a)(ii)(B), until 20 days after the local district provides

notice under Subsection 17B-2-513(2)(a)(i).

Section 40. Section **17B-2-505** is enacted to read:

17B-2-505. Petition certification.

(1) Within 30 days after the filing of a petition under Subsection 17B-2-503(1)(a)(i) or (ii), the board of trustees of the proposed annexing local district shall:

(a) with the assistance of officers of the county in which the area proposed to be annexed is located from whom the board requests assistance, determine whether the petition meets the requirements of Subsection 17B-2-503(1)(a)(i) or (ii), as the case may be, Subsection 17B-2-503(3), and Subsection 17B-2-504(1); and

(b) (i) if the board determines that the petition complies with the requirements, certify the petition and mail or deliver written notification of the certification to the contact sponsor; or

(ii) if the board determines that the petition fails to comply with any of the requirements, reject the petition and mail or deliver written notification of the rejection and the reasons for the rejection to the contact sponsor.

(2) (a) If the board rejects a petition under Subsection (1)(b)(ii), the petition may be amended to correct the deficiencies for which it was rejected and then refiled.

(b) A valid signature on a petition that was rejected under Subsection (1)(b)(ii) may be used toward fulfilling the applicable signature requirement of the petition as amended under Subsection (2)(a).

(3) The board shall process an amended petition filed under Subsection (2)(a) in the same manner as an original petition under Subsection (1).

Section 41. Section **17B-2-506** is enacted to read:

17B-2-506. Notice to county and municipality -- Exception.

(1) Except as provided in Subsection (2), within ten days after certifying a petition under Subsection 17B-2-505(1)(b) the board of trustees of the proposed annexing local district shall mail or deliver a written notice of the proposed annexation, with a copy of the certification and a copy of the petition, to the legislative body of each:

(a) county in whose unincorporated area any part of the area proposed for annexation is

located; and

(b) municipality in which any part of the area proposed for annexation is located.

(2) The board is not required to send a notice under Subsection (1) to:

(a) a county or municipality that does not provide the service proposed to be provided by the local district; or

(b) a county or municipality whose legislative body has adopted an ordinance or resolution waiving the notice requirement as to:

(i) the proposed annexing local district; or

(ii) the service that the proposed annexing local district provides.

(3) For purposes of this section, an area proposed to be annexed to a municipality in a petition under Section 10-2-403 filed before and still pending at the time of the filing of a petition under Subsection 17B-2-503(1)(a) shall be considered to be part of that municipality.

Section 42. Section **17B-2-507** is enacted to read:

17B-2-507. Notice of intent to consider providing service -- Public hearing requirements.

(1) (a) If the legislative body of a county or municipality whose applicable area is proposed to be annexed to a local district in a petition under Subsection 17B-2-503(1)(a) intends to consider having the county or municipality, respectively, provide to the applicable area the service that the proposed annexing local district provides, the legislative body shall, within 30 days after receiving the notice under Subsection 17B-2-506(1), mail or deliver a written notice to the board of trustees of the proposed annexing local district indicating that intent.

(b) (i) A notice of intent under Subsection (1)(a) suspends the local district's annexation proceeding as to the applicable area of the county or municipality that submits the notice of intent until the county or municipality:

(A) adopts a resolution under Subsection 17B-2-508(1) declining to provide the service proposed to be provided by the proposed annexing local district; or

(B) is considered under Subsection 17B-2-508(2) or (3) to have declined to provide the service.

(ii) The suspension of an annexation proceeding under Subsection (1)(b)(i) as to an applicable area does not prevent the local district from continuing to pursue the annexation proceeding with respect to other applicable areas for which no notice of intent was submitted.

(c) If a legislative body does not mail or deliver a notice of intent within the time required under Subsection (1)(a), the legislative body shall be considered to have declined to provide the service.

(2) Each legislative body that mails or delivers a notice under Subsection (1)(a) shall hold a public hearing or a set of public hearings, sufficient in number and location to ensure that no substantial group of residents of the area proposed for annexation need travel an unreasonable distance to attend a public hearing.

(3) Each public hearing under Subsection (2) shall be held:

(a) no later than 45 days after the legislative body sends notice under Subsection (1);

(b) except as provided in Subsections (6) and (7), within the applicable area; and

(c) for the purpose of allowing public input on:

(i) whether the service is needed in the area proposed for annexation;

(ii) whether the service should be provided by the county or municipality or the proposed annexing local district; and

(iii) all other matters relating to the issue of providing the service or the proposed annexation.

(4) A quorum of the legislative body of each county or municipal legislative body holding a public hearing under this section shall be present throughout each hearing held by that county or municipal legislative body.

(5) Each hearing under this section shall be held on a weekday evening other than a holiday beginning no earlier than 6:00 p.m.

(6) Two or more county or municipal legislative bodies may jointly hold a hearing or set of hearings required under this section if all the requirements of this section, other than the requirements of Subsection (3)(b), are met as to each hearing.

(7) Notwithstanding Subsection (3)(b), a county or municipal legislative body may hold a

public hearing or set of public hearings outside the applicable area if:

(a) there is no reasonable place to hold a public hearing within the applicable area; and

(b) the public hearing or set of public hearings is held as close to the applicable area as reasonably possible.

(8) Before holding a public hearing or set of public hearings under this section, the legislative body of each county or municipality that receives a request for service shall provide notice of the hearing or set of hearings as provided in Section 17B-2-211.

Section 43. Section **17B-2-508** is enacted to read:

17B-2-508. Resolution indicating whether the requested service will be provided.

(1) Within 30 days after the last hearing required under Section 17B-2-507 is held, the legislative body of each county and municipality that sent a notice of intent under Subsection 17B-2-507(1) shall adopt a resolution indicating whether the county or municipality will provide to the area proposed for annexation within its boundaries the service proposed to be provided by the proposed annexing local district.

(2) If the county or municipal legislative body fails to adopt a resolution within the time provided under Subsection (1), the county or municipality shall be considered to have declined to provide the service.

(3) If a county or municipal legislative body adopts a resolution under Subsection (1) indicating that the county or municipality will provide the service but the county or municipality does not, within 120 days after the adoption of that resolution, take substantial measures to provide the service, the county or municipality shall be considered to have declined to provide the service.

(4) Each county or municipality whose legislative body adopts a resolution under Subsection (1) indicating that the county or municipality will provide the service shall diligently proceed to take all measures necessary to provide the service.

(5) If a county or municipal legislative body adopts a resolution under Subsection (1) indicating that the county or municipality will provide the service and the county or municipality takes substantial measures within the time provided in Subsection (3) to provide the service, the local district's annexation proceeding as to the applicable area of that county or municipality is terminated

and that applicable area is considered deleted from the area proposed to be annexed in a petition under Subsection 17B-2-503(1)(a).

Section 44. Section **17B-2-509** is enacted to read:

17B-2-509. Public hearing on proposed annexation.

(1) Except as provided in Sections 17B-2-513 and 17B-2-515, the board of trustees of each local district that certifies a petition that was filed under Subsection 17B-2-503(1)(a)(ii)(A) or (B), receives a resolution adopted under Subsection 17B-2-503(1)(b), or adopts a resolution under Subsection 17B-2-503(1)(c) shall hold a public hearing on the proposed annexation and provide notice of the hearing as provided in Section 17B-2-510.

(2) Each public hearing under Subsection (1) shall be held:

(a) within 45 days after:

(i) if no notice to a county or municipal legislative body is required under Section 17B-2-506, petition certification under Section 17B-2-505; or

(ii) if notice is required under Section 17B-2-506, but no notice of intent is submitted by the deadline:

(A) expiration of the deadline under Subsection 17B-2-507(1) to submit a notice of intent;

or

(B) termination of a suspension of the annexation proceeding under Subsection 17B-2-507(1)(b);

(b) (i) for a local district located entirely within a single county:

(A) within or as close as practicable to the area proposed to be annexed; or

(B) at the local district office; or

(ii) for a local district located in more than one county:

(A) (I) within the county in which the area proposed to be annexed is located; and

(II) within or as close as practicable to the area proposed to be annexed; or

(B) if the local district office is reasonably accessible to all residents within the area proposed to be annexed, at the local district office;

(c) on a weekday evening other than a holiday beginning no earlier than 6:00 p.m.; and

(d) for the purpose of allowing:

(i) the public to ask questions and obtain further information about the proposed annexation and issues raised by it; and

(ii) any interested person to address the board regarding the proposed annexation.

(3) A quorum of the board of trustees of the proposed annexing local district shall be present throughout each public hearing held under this section.

(4) (a) After holding a public hearing under this section or, if no hearing is held because of application of Subsection 17B-2-513(2)(a)(ii), after expiration of the time under Subsection 17B-2-513(2)(a)(ii)(B) for requesting a hearing, the board of trustees may by resolution deny the annexation and terminate the annexation procedure if:

(i) for a proposed annexation initiated by a petition under Subsection 17B-2-503(1)(a)(i) or (ii), the board determines that:

(A) it is not feasible for the local district to provide service to the area proposed to be annexed; or

(B) annexing the area proposed to be annexed would be inequitable to the owners of real property or residents already within the local district; or

(ii) for a proposed annexation initiated by resolution under Subsection 17B-2-503(1)(b) or (c), the board determines not to pursue annexation.

(b) In each resolution adopted under Subsection (4)(a), the board shall set forth its reasons for denying the annexation.

Section 45. Section **17B-2-510** is enacted to read:

17B-2-510. Notice of public hearing.

(1) Before holding a public hearing required under Section 17B-2-509, the board of trustees of each proposed annexing local district shall:

(a) mail notice of the public hearing and the proposed annexation to:

(i) if the local district is funded predominantly by revenues from a property tax, each owner of private real property located within the area proposed to be annexed, as shown upon the county assessment roll last equalized as of the previous December 31; or

(ii) if the local district is not funded predominantly by revenues from a property tax, each registered voter residing within the area proposed to be annexed, as determined by the voter registration list maintained by the county clerk as of a date selected by the board of trustees that is at least 20 but not more than 60 days before the public hearing; and

(b) post notice of the public hearing and the proposed annexation in at least four conspicuous places within the area proposed to be annexed, no less than ten and no more than 30 days before the public hearing.

(2) Each notice required under Subsection (1) shall:

(a) describe the area proposed to be annexed;

(b) identify the proposed annexing local district;

(c) state the date, time, and location of the public hearing;

(d) provide a local district telephone number where additional information about the proposed annexation may be obtained; and

(e) except for a proposed annexation under a petition that meets the requirements of Subsection 17B-2-513(1), explain that property owners and registered voters within the area proposed to be annexed may protest the annexation by filing a written protest with the local district board of trustees within 30 days after the public hearing.

Section 46. Section **17B-2-511** is enacted to read:

17B-2-511. Modifications to area proposed for annexation -- Limitations.

(1) (a) Subject to Subsections (2), (3), (4), and (5), a board of trustees may, within 30 days after the public hearing under Section 17B-2-509, or, if no public hearing is held, within 30 days after the board provides notice under Subsection 17B-2-513(2)(a)(i), modify the area proposed for annexation to include land not previously included in that area or to exclude land from that area if the modification enhances the feasibility of the proposed annexation.

(b) A modification under Subsection (1)(a) may consist of the exclusion of all the land within an applicable area if:

(i) the entire area proposed to be annexed consists of more than that applicable area;

(ii) sufficient protests under Section 17B-2-512 are filed with respect to that applicable area

that an election would have been required under Subsection 17B-2-512(3) if that applicable area were the entire area proposed to be annexed; and

(iii) the other requirements of Subsection (1)(a) are met.

(2) A board of trustees may not add property under Subsection (1) to the area proposed for annexation without the consent of the owner of that property.

(3) Except as provided in Subsection (1)(b), a modification under Subsection (1) may not avoid the requirement for an election under Subsection 17B-2-512(3) if, before the modification, the election was required because of protests filed under Section 17B-2-512.

(4) If the annexation is proposed by a petition under Subsection 17B-2-503(1)(a)(ii)(A) or (B), a modification may not be made unless the requirements of Subsection 17B-2-503(1)(a)(ii)(A) or (B) are met after the modification as to the area proposed to be annexed.

(5) If the petition meets the requirements of Subsection 17B-2-513(1) before a modification under this section but fails to meet those requirements after modification:

(a) the local district board shall give notice as provided in Section 17B-2-510 and hold a public hearing as provided in Section 17B-2-509 on the proposed annexation; and

(b) the petition shall be considered in all respects as one that does not meet the requirements of Subsection 17B-2-513(1).

Section 47. Section **17B-2-512** is enacted to read:

17B-2-512. Protests -- Election.

(1) (a) Except as provided in Section 17B-2-513 and except for an annexation under Section 17B-2-515, an owner of private real property located within or a registered voter residing within an area proposed to be annexed may protest an annexation by filing a written protest with the board of trustees of the proposed annexing local district.

(b) A protest of a boundary adjustment is not governed by this section but is governed by Section 17B-2-516.

(2) Each protest under Subsection (1)(a) shall be filed within 30 days after the date of the public hearing under Section 17B-2-509.

(3) (a) Except as provided in Subsection (4), the local district shall hold an election on the

proposed annexation if timely protests are filed by:

(i) the owners of private real property that:

(A) is located within the area proposed to be annexed;

(B) covers at least 10% of the total private land area within the entire area proposed to be annexed and within each applicable area; and

(C) is equal in assessed value to at least 10% of the assessed value of all private real property within the entire area proposed to be annexed and within each applicable area; or

(ii) registered voters residing within the entire area proposed to be annexed and within each applicable area equal in number to at least 10% of the number of votes cast within the entire area proposed for annexation and within each applicable area, respectively, for the office of governor at the last regular general election before the filing of the petition.

(b) Except as otherwise provided in this part, each election under Subsection (3)(a) shall be governed by Title 20A, Election Code.

(c) If a majority of registered voters residing within the area proposed to be annexed and voting on the proposal vote:

(i) in favor of annexation, the board of trustees shall, subject to Subsections 17B-2-514(1)(b), (2), and (3), complete the annexation by adopting a resolution annexing the area;
or

(ii) against annexation, the annexation process is terminated, the board may not adopt a resolution annexing the area, and the area proposed to be annexed may not for two years be the subject of an effort under this part to annex to the same local district.

(4) If sufficient protests are filed under this section to require an election, a board of trustees may, notwithstanding Subsection (3), adopt a resolution rejecting the annexation and terminating the annexation process without holding an election.

Section 48. Section **17B-2-513** is enacted to read:

17B-2-513. Hearing, notice, and protest provisions do not apply for certain petitions.

(1) Section 17B-2-512 does not apply, and, except as provided in Subsection (2)(a), Sections 17B-2-509 and 17B-2-510 do not apply:

- (a) if the process to annex an area to a local district was initiated by:
- (i) a petition under Subsection 17B-2-503(1)(a)(i);
 - (ii) a petition under Subsection 17B-2-503(1)(a)(ii)(A) that was signed by the owners of private real property that:
 - (A) is located within the area proposed to be annexed;
 - (B) covers at least 75% of the total private land area within the entire area proposed to be annexed and within each applicable area; and
 - (C) is equal in assessed value to at least 75% of the assessed value of all private real property within the entire area proposed to be annexed and within each applicable area; or
 - (iii) a petition under Subsection 17B-2-503(1)(a)(ii)(B) that was signed by registered voters residing within the entire area proposed to be annexed and within each applicable area equal in number to at least 75% of the number of votes cast within the entire area proposed to be annexed and within each applicable area, respectively, for the office of governor at the last regular general election
before the filing of the petition;
- (b) to an annexation under Section 17B-2-515; or
 - (c) to a boundary adjustment under Section 17B-2-516.
- (2) (a) If a petition that meets the requirements of Subsection (1)(a) is certified under Section 17B-2-505, the local district board:
- (i) shall provide notice of the proposed annexation as provided in Subsection (2)(b); and
 - (ii) (A) may, in the board's discretion, hold a public hearing as provided in Section 17B-2-509 after giving notice of the public hearing as provided in Subsection (2)(b); and
 - (B) shall, after giving notice of the public hearing as provided in Subsection (2)(b), hold a public hearing as provided in Section 17B-2-509 if a written request to do so is submitted, within 20 days after the local district provides notice under Subsection (2)(a)(i), to the local district board by an owner of property that is located within or a registered voter residing within the area proposed to be annexed who did not sign the annexation petition.
- (b) The notice required under Subsections (2)(a)(i) and (ii) shall:
 - (i) be given:

(A) (I) for a notice under Subsection (2)(a)(i), within 30 days after petition certification; or
(II) for a notice of a public hearing under Subsection (2)(a)(ii), at least ten but not more than
30 days before the public hearing; and

(B) by:

(I) posting written notice at the local district's principal office and in one or more other
locations within or proximate to the area proposed to be annexed as are reasonable under the
circumstances, considering the number of parcels included in that area, the size of the area, the
population of the area, and the contiguousness of the area; and

(II) providing written notice to at least one newspaper of general circulation, if there is one,
within the area proposed to be annexed or to a local media correspondent; and

(ii) contain a brief explanation of the proposed annexation and include the name of the local
district, the service provided by the local district, a description or map of the area proposed to be
annexed, a local district telephone number where additional information about the proposed
annexation may be obtained, and, for a notice under Subsection (2)(a)(i), an explanation of the right
of a property owner or registered voter to request a public hearing as provided in Subsection
(2)(a)(ii)(B).

(c) A notice under Subsection (2)(a)(i) may be combined with the notice that is required for
a public hearing under Subsection (2)(a)(ii)(A).

Section 49. Section **17B-2-514** is enacted to read:

17B-2-514. Resolution approving an annexation -- Notice of annexation -- When
annexation complete.

(1) (a) Subject to Subsection (1)(b), the local district board shall adopt a resolution annexing
the area proposed to be annexed or rejecting the proposed annexation within 30 days after:

(i) expiration of the protest period under Subsection 17B-2-512(2), if sufficient protests to
require an election are not filed;

(ii) for a petition that meets the requirements of Subsection 17B-2-513(1):

(A) a public hearing under Section 17B-2-509 is held, if the board chooses or is required to
hold a public hearing under Subsection 17B-2-513(2)(a)(ii); or

(B) expiration of the time for submitting a request for public hearing under Subsection 17B-2-513(2)(a)(ii)(B), if no request is submitted and the board chooses not to hold a public hearing.

(b) If the local district has entered into an agreement with the United States that requires the consent of the United States for an annexation of territory to the district, an annexation under this part may not occur until the written consent of the United States is obtained and filed with the board of trustees.

(2) Within ten days after adoption of an annexation resolution under Subsection (1), Subsection 17B-2-512(3)(c)(i), or Section 17B-2-515, or a boundary adjustment resolution under Subsection 17B-2-516(4), the board shall:

(a) file a written notice of annexation with the State Tax Commission, the lieutenant governor, and the assessor and recorder of the county in which the annexed area is located, accompanied by an accurate map or legal description of the boundaries of the area being annexed, adequate for purposes of the county assessor and recorder; and

(b) prepare and execute a certificate acknowledging that the notices required under Subsection (2)(a) have been filed, and maintain the certificate with the district records.

(3) The annexation shall be complete on the date indicated in the certificate required under Subsection (2)(b) as the date on which the board filed the notices required under Subsection (2)(a).

Section 50. Section **17B-2-515** is enacted to read:

17B-2-515. Annexation of wholesale district through expansion of retail provider.

(1) (a) A local district that provides a wholesale service may adopt a resolution annexing an area outside the local district's boundaries if:

(i) the area is annexed by or otherwise added to a municipality, an independent special district, or another local district that:

(A) acquires the wholesale service from the local district and provides it as a retail service;

(B) is, before the annexation or other addition, located at least partly within the local district;
and

(C) after the annexation or other addition will provide to the annexed or added area the same retail service that the local district provides as a wholesale service to the municipality, independent

special district, or other local district; and

(ii) except as provided in Subsection (2), no part of the area is within the boundaries of an independent special district under Title 17A, Chapter 2, Independent Special Districts, or another local district that provides the same wholesale service as the proposed annexing local district.

(b) For purposes of this section:

(i) a local district providing transportation service shall be considered to be providing a wholesale service; and

(ii) a municipality included within the boundaries of the local district providing transportation service shall be considered to be acquiring that wholesale service from the local district and providing it as a retail service and to be providing that retail service after the annexation or other addition to the annexed or added area, even though the municipality does not in fact provide that service.

(2) Notwithstanding Subsection (1)(a)(ii), an area outside the boundaries of a local district providing a wholesale service and located partly or entirely within the boundaries of an independent special district or another local district that provides the same wholesale service may be annexed to the local district if:

(a) the conditions under Subsection (1)(a)(i) are present; and

(b) the proposed annexing local district and the independent special district or other local district follow the same procedure as is required for a boundary adjustment under Section 17B-2-516, including both district boards adopting a resolution approving the annexation of the area to the proposed annexing local district and the withdrawal of that area from the other district.

(3) Upon the adoption of an annexation resolution under this section, the board of the annexing local district shall comply with the requirements of Subsection 17B-2-514(2).

(4) Subsection 17B-2-514(3) applies to an annexation under this section.

Section 51. Section **17B-2-516** is enacted to read:

17B-2-516. Boundary adjustment -- Notice and hearing -- Protest -- Resolution adjusting boundaries -- Notice of the adjustment.

(1) As used in this section, "affected area" means the area located within the boundaries of

one local district that will be removed from that local district and be included within the boundaries of another local district because of the boundary adjustment.

(2) The boards of trustees of two or more local districts having a common boundary and providing the same service on the same wholesale or retail basis may adjust their common boundary as provided in this section.

(3) (a) The board of trustees of each local district intending to adjust a boundary that is common with another local district shall:

(i) adopt a resolution indicating the board's intent to adjust a common boundary;

(ii) hold a public hearing on the proposed boundary adjustment no less than 60 days after the adoption of the resolution under Subsection (3)(a)(i); and

(iii) (A) (I) publish notice once a week for two successive weeks in a newspaper of general circulation within the local district; or

(II) if there is no newspaper of general circulation within the local district, post notice in at least four conspicuous places within the local district; or

(B) mail a notice to each owner of property located within the affected area and to each registered voter residing within the affected area.

(b) The notice required under Subsection (3)(a)(iii) shall:

(i) state that the board of trustees of the local district has adopted a resolution indicating the board's intent to adjust a boundary that the local district has in common with another local district that provides the same service as the local district;

(ii) describe the affected area;

(iii) state the date, time, and location of the public hearing required under Subsection (3)(a)(ii);

(iv) provide a local district telephone number where additional information about the proposed boundary adjustment may be obtained;

(v) explain the financial and service impacts of the boundary adjustment on property owners or residents within the affected area; and

(vi) state in conspicuous and plain terms that the board of trustees may adjust the boundaries

unless, at or before the public hearing under Subsection (3)(a)(ii), written protests to the adjustment are filed with the board by:

(A) the owners of private real property that:

(I) is located within the affected area;

(II) covers at least 50% of the total private land area within the affected area; and

(III) is equal in assessed value to at least 50% of the assessed value of all private real property within the affected area; or

(B) registered voters residing within the affected area equal in number to at least 50% of the votes cast in the affected area for the office of governor at the last regular general election before the filing of the protests.

(c) The first publication of the notice required under Subsection (3)(a)(iii)(A) shall be within 14 days after the board's adoption of a resolution under Subsection (3)(a)(i).

(d) The boards of trustees of the local districts whose boundaries are being adjusted may jointly:

(i) publish, post, or mail the notice required under Subsection (3)(a)(iii); and

(ii) hold the public hearing required under Subsection (3)(a)(ii).

(4) After the public hearing required under Subsection (3)(a)(ii), the board of trustees may adopt a resolution adjusting the common boundary unless, at or before the public hearing, written protests to the boundary adjustment have been filed with the board by:

(a) the owners of private real property that:

(i) is located within the affected area;

(ii) covers at least 50% of the total private land area within the affected area; and

(iii) is equal in assessed value to at least 50% of the assessed value of all private real property within the affected area; or

(b) registered voters residing within the affected area equal in number to at least 50% of the votes cast in the affected area for the office of governor at the last regular general election before the filing of the protests.

(5) A resolution adopted under Subsection (4) does not take effect until the board of each

local district whose boundaries are being adjusted has adopted a resolution under Subsection (4).

(6) Within ten days after the resolutions take effect under Subsection (5), the board of the local district whose boundaries are being adjusted to include the affected area shall comply with the requirements of Subsection 17B-2-514(2).

(7) Subsection 17B-2-514(3) applies to a boundary adjustment under this section to the same extent as if the boundary adjustment were an annexation.

Section 52. Section **17B-2-517** is enacted to read:

17B-2-517. Annexed area subject to fees, charges, and taxes.

When an annexation under Section 17B-2-514 or 17B-2-515 or a boundary adjustment under Section 17B-2-516 is complete, the annexed area or the area affected by the boundary adjustment shall be subject to user fees or charges imposed by and property, sales, and other taxes levied by or for the benefit of the local district.

Part 6. Reserved

Section 53. Section **17B-2-701** is enacted to read:

Part 7. Dissolution

17B-2-701. Definitions.

For purposes of this part:

(1) "Active" means, with respect to a local district, that the district is not inactive.

(2) "Administrative body" means:

(a) if the local district proposed to be dissolved has a duly constituted board of trustees in sufficient numbers to form a quorum, the board of trustees; or

(b) except as provided in Subsection (2)(a):

(i) for a local district located entirely within a single municipality, the legislative body of that municipality;

(ii) for a local district located in multiple municipalities within the same county or at least partly within the unincorporated area of a county, the legislative body of that county; or

(iii) for a local district located within multiple counties, the legislative body of the county whose boundaries include more of the local district than is included within the boundaries of any

other county.

(3) "Clerk" means:

(a) the board of trustees if the board is also the administrative body under Subsection (2)(a);

(b) the clerk or recorder of the municipality whose legislative body is the administrative body under Subsection (2)(b)(i); or

(c) the clerk of the county whose legislative body is the administrative body under Subsection (2)(b)(ii) or (iii).

(4) "Inactive" means, with respect to a local district, that during the preceding three years the district has not:

(a) provided any service or otherwise operated;

(b) received property taxes or user or other fees; and

(c) expended any funds.

Section 54. Section **17B-2-702** is enacted to read:

17B-2-702. Dissolution of local district.

A local district may be dissolved as provided in this part.

Section 55. Section **17B-2-703** is enacted to read:

17B-2-703. Initiation of dissolution process.

The process to dissolve a local district may be initiated by:

(1) for an inactive local district:

(a) (i) for a local district whose board of trustees is elected by electors based on the acre-feet of water allotted to the land owned by the elector, a petition signed by the owners of 25% of the acre-feet of water allotted to the land within the local district; or

(ii) for all other districts:

(A) a petition signed by the owners of private real property that:

(I) is located within the local district proposed to be dissolved;

(II) covers at least 25% of the private land area within the local district; and

(III) is equal in assessed value to at least 25% of the assessed value of all private real property within the local district; or

(B) a petition signed by registered voters residing within the local district proposed to be dissolved equal in number to at least 25% of the number of votes cast in the district for the office of governor at the last regular general election before the filing of the petition; or

(b) a resolution adopted by the administrative body; and

(2) for an active local district, a petition signed by:

(a) for a local district whose board of trustees is elected by electors based on the acre-feet of water allotted to the land owned by the elector, a petition signed by the owners of 100% of the acre-feet of water allotted to the land within the local district; or

(b) for all other districts, the owners of 100% of the private real property located within or 100% of registered voters residing within the local district proposed to be dissolved.

Section 56. Section **17B-2-704** is enacted to read:

17B-2-704. Petition requirements.

(1) Each petition under Subsection 17B-2-703(1)(a) or (2) shall:

(a) indicate the typed or printed name and current residence address of each owner of acre-feet of water, property owner, or registered voter signing the petition;

(b) if it is a petition signed by the owners of acre-feet of water or property owners, indicate the address of the property as to which the owner is signing;

(c) designate up to three signers of the petition as sponsors, one of whom shall be designated the contact sponsor, with the mailing address and telephone number of each; and

(d) be filed with the clerk.

(2) A signer of a petition to dissolve a local district may withdraw, or, once withdrawn, reinstate the signer's signature at any time until 30 days after the public hearing under Section 17B-2-706.

Section 57. Section **17B-2-705** is enacted to read:

17B-2-705. Petition certification.

(1) Within 30 days after the filing of a petition under Subsection 17B-2-703(1)(a) or (2), the clerk shall:

(a) with the assistance of officers of the county in which the local district is located from

whom the clerk requests assistance, determine whether the petition meets the requirements of Section 17B-2-703 and Subsection 17B-2-704(1); and

(b) (i) if the clerk determines that the petition complies with the requirements, certify the petition and mail or deliver written notification of the certification to the contact sponsor; or

(ii) if the clerk determines that the petition fails to comply with any of the requirements, reject the petition and mail or deliver written notification of the rejection and the reasons for the rejection to the contact sponsor.

(2) (a) If the clerk rejects a petition under Subsection (1)(b)(ii), the petition may be amended to correct the deficiencies for which it was rejected and then refiled.

(b) A valid signature on a petition that was rejected under Subsection (1)(b)(ii) may be used toward fulfilling the applicable signature requirement of the petition as amended under Subsection (2)(a).

(3) The clerk shall process an amended petition filed under Subsection (2)(a) in the same manner as an original petition under Subsection (1).

Section 58. Section **17B-2-706** is enacted to read:

17B-2-706. Public hearing.

(1) For each petition certified under Section 17B-2-705 and each resolution adopted under Subsection 17B-2-703(1)(b), the administrative body shall hold a public hearing on the proposed dissolution.

(2) Each public hearing under Subsection (1) shall be held:

(a) no later than 45 days after certification of the petition under Section 17B-2-705 or adoption of a resolution under Subsection 17B-2-703(1)(b), as the case may be;

(b) within the local district proposed to be dissolved;

(c) on a weekday evening other than a holiday beginning no earlier than 6:00 p.m.; and

(d) for the purpose of allowing:

(i) the public to ask questions and obtain further information about the proposed dissolution and issues raised by it; and

(ii) any interested person to address the administrative body concerning the proposed

dissolution.

(3) A quorum of the administrative body shall be present throughout each public hearing under this section.

Section 59. Section **17B-2-707** is enacted to read:

17B-2-707. Notice of public hearing and of dissolution.

(1) Before holding a public hearing required under Section 17B-2-706, the administrative body shall:

(a) (i) publish notice of the public hearing and of the proposed dissolution in a newspaper of general circulation within the local district proposed to be dissolved; and

(ii) post notice of the public hearing and of the proposed dissolution in at least four conspicuous places within the local district proposed to be dissolved, no less than five and no more than 30 days before the public hearing; or

(b) mail a notice to each owner of property located within the local district and to each registered voter residing within the local district.

(2) Each notice required under Subsection (1) shall:

(a) identify the local district proposed to be dissolved and the service it was created to provide; and

(b) state the date, time, and location of the public hearing.

Section 60. Section **17B-2-708** is enacted to read:

17B-2-708. Dissolution resolution -- Limitations on dissolution -- Distribution of remaining assets -- Notice of dissolution.

(1) After the public hearing required under Section 17B-2-706 and subject to Subsection (2), the administrative body may adopt a resolution dissolving the local district.

(2) A resolution under Subsection (1) may not be adopted unless:

(a) any outstanding debt of the local district is:

(i) satisfied and discharged in connection with the dissolution; or

(ii) assumed by another governmental entity with the consent of all the holders of that debt and all the holders of other debts of the local district;

(b) for a local district that has provided service during the preceding three years or undertaken planning or other activity preparatory to providing service:

(i) another entity has committed to provide the same service to the area being served or proposed to be served by the local district; and

(ii) all who are to receive the service have consented to the service being provided by the other entity; and

(c) all outstanding contracts to which the local district is a party are resolved through mutual termination or the assignment of the district's rights, duties, privileges, and responsibilities to another entity with the consent of the other parties to the contract.

(3) (a) (i) Any assets of the local district remaining after paying all debts and other obligations of the local district shall be used to pay costs associated with the dissolution process under this part.

(ii) Any costs of the dissolution process remaining after exhausting the remaining assets of the local district under Subsection (3)(a)(i) shall be paid by the administrative body.

(b) Any assets of the local district remaining after application of Subsection (3)(a) shall be distributed:

(i) proportionately to the owners of real property within the dissolved local district if there is a readily identifiable connection between a financial burden borne by the real property owners in the district and the remaining assets; or

(ii) except as provided in Subsection (3)(b)(i), to each county, city, or town in which the dissolved local district was located before dissolution in the same proportion that the land area of the local district located within the unincorporated area of the county or within the city or town bears to the total local district land area.

(4) Within ten days after adopting a resolution dissolving the local district, the administrative body shall cause a notice of the dissolution, with a copy of the dissolution resolution, to be mailed or delivered to the State Tax Commission, the state auditor, and the assessor and recorder of each county in which any part of the dissolved district was located immediately before dissolution.

Section 61. Section **73-2-1** is amended to read:

73-2-1. State engineer -- Term -- Powers and duties -- Qualification for duties.

(1) There shall be a state engineer.

(2) The state engineer shall:

(a) be appointed by the governor with the consent of the Senate;

(b) hold [his] office for the term of four years and until [his] a successor is appointed; and

(c) have five years experience as a practical engineer or the theoretical knowledge, practical experience, and skill necessary for the position.

(3) (a) The state engineer shall be responsible for the general administrative supervision of the waters of the state and the measurement, appropriation, apportionment, and distribution of those waters.

(b) The state engineer shall have the power to:

(i) make and publish rules necessary to carry out the duties of his office;

(ii) secure the equitable apportionment and distribution of the water according to the respective rights of appropriators; and

(iii) bring suit in courts of competent jurisdiction to:

(A) enjoin the unlawful appropriation, diversion, and use of surface and underground water;

(B) prevent waste, loss, or pollution of those waters; and

(C) enable him to carry out the duties of his office.

(c) The state engineer shall:

(i) upon request from the board of trustees of an irrigation district under Title 17A, Chapter 2, Part 7, Irrigation Districts, or a local district under Title 17B, Chapter 2, Local Districts, that operates an irrigation water system, cause a water survey to be made of all lands proposed to be annexed to the district in order to determine and allot the maximum amount of water that could be beneficially used on the land, with a separate survey and allotment being made for each 40-acre or smaller tract in separate ownership; and

(ii) upon completion of the survey and allotment under Subsection (3)(c)(i), file with the district board a return of the survey and report of the allotment.

(4) (a) The state engineer may establish water districts and define their boundaries.

- (b) The water districts shall be formed in a manner that:
 - (i) secures the best protection to the water claimants; and
 - (ii) is the most economical for the state to supervise.

Section 62. Repealer.

This act repeals:

Section 17A-2-202, Creation and organization of district.

Section 17A-2-203, Procedure -- Petition -- Contents and sufficiency of petition.

Section 17A-2-204, Hearing and determination -- Notice -- Boundaries.

Section 17A-2-205, Election to determine organization of district -- Notice -- Eligibility of voters.

Section 17A-2-206, Conduct of election -- Precincts -- Judges.

Section 17A-2-207, Canvass of returns.

Section 17A-2-213, Annexation of adjoining territory -- Procedure -- Necessity for approval of board.

Section 17A-2-214, Annexation of additional territory within adjoining county -- Requirements.

Section 17A-2-303, Procedure for creation of district.

Section 17A-2-304, Notice of hearing and intent -- Protests -- Resolution establishing district -- Writ of review.

Section 17A-2-331, Annexation of areas.

Section 17A-2-332, Methods of annexation -- Resolution -- Proposed area including part of another county.

Section 17A-2-333, Notice of intention to annex -- Resolution -- Writ of review.

Section 17A-2-339, Adjustment of common boundaries -- Notice and hearing -- Protest -- Property taxes after the boundary adjustment.

Section 17A-2-404, Establishment of service area.

Section 17A-2-406, Resolution of county.

Section 17A-2-407, Publication and mailing of resolution.

Section 17A-2-408, Hearing -- Protests -- Report of officers -- Record.

Section 17A-2-409, Abandonment of proposed service area -- Procedures.

Section 17A-2-410, Ordinance to establish area -- Appeals -- Exclusion of lands from area -- Inclusion of unspecified services prohibited.

Section 17A-2-417, Annexation of other areas.

Section 17A-2-420, Existing districts may dissolve.

Section 17A-2-430, Reorganization of existing county service areas -- Procedure.

Section 17A-2-529, Procedure for annexation -- Petition -- Appeals by persons aggrieved -- Recordation and filing of order.

Section 17A-2-546, Organization of districts in cities or towns.

Section 17A-2-561, Petition for dissolution -- Notice -- Hearings -- Objections -- Liquidation of indebtedness.

Section 17A-2-562, Disposal of district property.

Section 17A-2-563, Statement of assessment levied, collected and uncollected, and of indebtedness filed with clerk.

Section 17A-2-564, Court to determine obligations and expense of dissolution -- Claims not presented, barred.

Section 17A-2-565, Allocating and apportioning indebtedness against land.

Section 17A-2-566, Payment discharges lien, excepting liens for prior assessments.

Section 17A-2-567, Sale of lands upon failure to pay amounts allocated -- Procedure.

Section 17A-2-602, Proposal of district by petition -- Petition -- Form, contents, and requisites of petition.

Section 17A-2-603, Hearing for establishment of district.

Section 17A-2-604, Procedure at hearing upon petition.

Section 17A-2-605, Organization of proposed district -- Adoption of ordinance -- Election -- Qualification of voters.

Section 17A-2-606, Conduct of election -- Challenges -- Judges of election.

Section 17A-2-608, Canvass of votes -- Order of the county legislative body.

Section 17A-2-614, Annexation of contiguous territory -- Procedure -- Petition -- Special election.

Section 17A-2-624, Winding up and dissolution of district.

Section 17A-2-702, Petition for irrigation district -- Duty of the county legislative body and state engineer -- Creation provisions superseded -- Exception.

Section 17A-2-703, Land and water allotments -- Revision and alteration -- Proceedings to list lands -- Writ of mandamus -- Hearing and determination on writ -- Calling election --Conduct of election.

Section 17A-2-704, Notice of election -- Trustees.

Section 17A-2-705, Canvass of returns -- Organization of district.

Section 17A-2-731, Petition for inclusion.

Section 17A-2-732, Notice of application -- Procedure -- Time -- Costs.

Section 17A-2-733, Hearing on petition.

Section 17A-2-734, Conditions precedent to granting.

Section 17A-2-735, Action on petition.

Section 17A-2-736, Copies of orders and plat recorded -- Additions liable.

Section 17A-2-737, Minutes admissible in evidence.

Section 17A-2-745, Division of districts -- Representation.

Section 17A-2-746, Dissolution of district -- Election -- Procedure.

Section 17A-2-747, Returns and canvass of election.

Section 17A-2-748, Irrigation district's failure to function -- Dissolution -- Increase of assessment -- Lien and tax sale.

Section 17A-2-811, Publication of call.

Section 17A-2-812, Ballot.

Section 17A-2-813, Counting ballots and canvassing returns.

Section 17A-2-814, Consolidated elections.

Section 17A-2-815, Certificate to lieutenant governor -- Valuation of cities approving.

Section 17A-2-841, Annexation to district -- Validity of proceedings.

**Section 17A-2-912, Annexation of area into district -- Conditions -- Procedures --
Petition -- Resolution -- Protests.**

Section 17A-2-913, Dissolution -- Election -- Apportionment of property.

Section 17A-2-1404, Establishment of district -- Petition -- Effect of defects.

Section 17A-2-1405, Bond to be filed with petition.

**Section 17A-2-1406, Hearing -- Jurisdiction of district court -- Court not to be
disqualified.**

**Section 17A-2-1407, Protest petition -- Objections -- Hearing -- Decree establishing
district -- Meetings -- Dismissal of petition or proceedings -- Finality and conclusiveness of
order --Appeal.**

Section 17A-2-1408, Findings and decree to be filed -- Fees.

**Section 17A-2-1437, Change of boundaries -- Petitions for and against inclusion within
district -- Hearing -- Petition protesting inclusion -- Hearing -- Appeal -- Annexation
--Hearings -- Objections -- Order of inclusion -- Findings and decrees -- Appeal.**

Section 17A-2-1815, Dissolution of regional service areas.

Section 17A-2-1816, Annexation proceedings.

Section 17A-2-1817, Publication.

Section 17A-2-1818, Hearing -- Protests -- Report of officers -- Record.

Section 17A-2-1819, Abandonment of proposed annexation -- Procedures.

Section 17A-2-1820, Referendum election procedures.

Section 63. Coordination clause.

If this bill and H.B. 155, Annexation Amendments, both pass, it is the intent of the
Legislature that the Office of Legislative Research and General Counsel, in preparing the Utah Code
database for publication, include in the database a rewritten Subsection 17B-2-506(3) that shall read
as follows:

"(3) For purposes of this section, an area proposed to be annexed to a municipality in a
petition under Section 10-2-403 filed before and still pending at the time of the filing of a petition
under Subsection 17B-2-503(1)(a) and an area included within a municipality's annexation policy

plan under Section 10-2-401.5 shall be considered to be part of that municipality."