

**AMENDMENTS TO SPECIAL DISTRICTS AND
LOCAL DISTRICTS FOR EXPANDED FIRE
PROTECTION SERVICES**

2003 GENERAL SESSION

STATE OF UTAH

Sponsor: David L. Thomas

This act modifies provisions related to Special Districts and to Limited Purpose Local Government Entities. The act authorizes the creation of a county service area and a local district for fire protection, paramedic, and emergency services by resolution of the legislative bodies of participating counties and municipalities without the necessity of voter approval under certain circumstances. The act modifies board of trustees provisions for a district created to provide fire protection, paramedic, and emergency services. The act requires counties and municipalities included within a certain type of district for fire protection, paramedic, and emergency services to reduce their certified tax rate to offset taxes imposed by the district for those services. The act imputes a tax imposed by a fire district to the county or municipality included within the district for purposes of the county or municipality's tax limit. The act provides for automatic annexation to certain districts providing fire protection, paramedic, and emergency services when an area is annexed to a municipality within the district and for automatic withdrawal from those districts when an area within the district is annexed to a municipality that is not within the district. The act provides an alternate method of withdrawing an area within a municipality from certain districts providing fire protection, paramedic, and emergency services upon resolution of the municipal legislative body and a vote of the municipality. The act also makes technical changes. The act provides a coordination clause.

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

AMENDS:

10-1-117, as enacted by Chapter 318, Laws of Utah 2000

10-2-406, as last amended by Chapter 206, Laws of Utah 2001

- 10-2-419, as last amended by Chapter 337, Laws of Utah 1998
- 10-2-425, as last amended by Chapter 318, Laws of Utah 2000
- 17A-2-403, as last amended by Chapter 90, Laws of Utah 2001
- 17A-2-411, as last amended by Chapter 90, Laws of Utah 2001
- 17B-2-202, as enacted by Chapter 368, Laws of Utah 1998
- 17B-2-213, as enacted by Chapter 368, Laws of Utah 1998
- 17B-2-214, as enacted by Chapter 368, Laws of Utah 1998
- 17B-2-215, as enacted by Chapter 368, Laws of Utah 1998
- 17B-2-216, as enacted by Chapter 368, Laws of Utah 1998
- 17B-2-502, as enacted by Chapter 90, Laws of Utah 2001
- 17B-2-503, as enacted by Chapter 90, Laws of Utah 2001
- 17B-2-514, as enacted by Chapter 90, Laws of Utah 2001
- 17B-2-601, as enacted by Chapter 284, Laws of Utah 2002
- 17B-2-603, as enacted by Chapter 284, Laws of Utah 2002
- 17B-2-610, as enacted by Chapter 284, Laws of Utah 2002
- 59-2-924, as last amended by Chapters 133, 195 and 258, Laws of Utah 2001

ENACTS:

17B-2-515.5, Utah Code Annotated 1953

17B-2-603.5, Utah Code Annotated 1953

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

Section 1. Section **10-1-117** is amended to read:

10-1-117. Amending articles of incorporation -- Lieutenant governor certification.

(1) A municipality may amend its articles of incorporation by filing amended articles with the lieutenant governor.

(2) The lieutenant governor may not certify amended articles of incorporation unless they have been:

- (a) approved by the municipal legislative body; and
- (b) signed and verified by the mayor of the municipality.

(3) (a) Within ten days after receiving amended articles of incorporation that comply with Subsection (2), the lieutenant governor shall:

~~[(a)]~~ (i) certify the amended articles; and

~~[(b)]~~ (ii) deliver a copy of the certified articles to:

~~[(i)]~~ (A) the legislative body of the municipality; and

~~[(ii)]~~ (B) the clerk of the county in which the municipality is located.

(b) If the lieutenant governor receives amended articles of incorporation reflecting a municipal annexation or boundary adjustment under Chapter 2, Part 4, Annexation, that also causes an automatic annexation to a local district under Section 17B-2-515.5 or an automatic withdrawal from a local district under Subsection 17B-2-601(2):

(i) the lieutenant governor may not certify the municipality's amended articles or issue to the local district a certificate of annexation or withdrawal relating to the automatic annexation or withdrawal until the lieutenant governor receives both the municipality's amended articles of incorporation under Subsection 10-2-425(1)(b) and the local district's notice of annexation under Subsection 17B-2-514(2)(b) or notice of withdrawal under Subsection 17B-2-610(1)(b);

(ii) within ten days after receiving both the municipality's amended articles of incorporation and the local district's notice of annexation or withdrawal, the lieutenant governor shall:

(A) simultaneously:

(I) certify the amended articles; and

(II) issue a certificate of annexation or withdrawal, as the case may be;

(B) send a copy of the certified amended articles to the legislative body of the municipality;

(C) send a certificate of annexation or withdrawal to the local district; and

(D) send a copy of the certified amended articles and certificate of annexation or withdrawal to the State Tax Commission, the state auditor, and the assessor and recorder of each county in which any part of the area included in the municipal annexation is located.

(4) Upon certification by the lieutenant governor, the amended articles shall take effect.

(5) The lieutenant governor:

(a) shall furnish a certified copy of the amended articles of incorporation to any person who requests a certified copy; and

(b) may charge a reasonable fee for the certified copy.

Section 2. Section **10-2-406** is amended to read:

10-2-406. Notice of certification -- Publishing and providing notice of petition.

(1) After receipt of the notice of certification from the city recorder or town clerk under Subsection 10-2-405(2)(b)(i), the municipal legislative body shall:

(a) (i) publish a notice at least once a week for three successive weeks, beginning no later than ten days after receipt of the notice of certification, in a newspaper of general circulation within:

(A) the area proposed for annexation; and

(B) the unincorporated area within 1/2 mile of the area proposed for annexation; or

(ii) if there is no newspaper of general circulation within those areas, post written notices in conspicuous places within those areas that are most likely to give notice to residents within those areas; and

(b) within 20 days of receipt of the notice of certification under Subsection 10-2-405(2)(b)(i), mail written notice to each affected entity.

(2) (a) The notice under Subsections (1)(a) and (b) shall:

(i) state that a petition has been filed with the municipality proposing the annexation of an area to the municipality;

(ii) state the date of the municipal legislative body's receipt of the notice of certification under Subsection 10-2-405(2)(b)(i);

(iii) describe the area proposed for annexation in the annexation petition;

(iv) state that the complete annexation petition is available for inspection and copying at the office of the city recorder or town clerk;

(v) state in conspicuous and plain terms that the municipality may grant the petition and annex the area described in the petition unless, within the time required under Subsection

10-2-407(2)(a)(i)(A), a written protest to the annexation petition is filed with the commission and a copy of the protest delivered to the city recorder or town clerk of the proposed annexing municipality; ~~and~~

(vi) state the address of the commission or, if a commission has not yet been created in the county, the county clerk, where a protest to the annexation petition may be filed[-];

(vii) state that the area proposed for annexation to the municipality will also automatically be annexed to a local district providing fire protection, paramedic, and emergency services, as provided in Section 17B-2-515.5, if:

(A) the proposed annexing municipality is entirely within the boundaries of a local district:

(I) that provides fire protection, paramedic, and emergency services; and

(II) in the creation of which an election was not required because of Subsection 17B-2-214(3)(c); and

(B) the area proposed to be annexed to the municipality is not already within the boundaries of the local district; and

(viii) state that the area proposed for annexation to the municipality will be automatically withdrawn from a local district providing fire protection, paramedic, and emergency services, as provided in Subsection 17B-2-601(2), if:

(A) the petition proposes the annexation of an area that is within the boundaries of a local district:

(I) that provides fire protection, paramedic, and emergency services; and

(II) in the creation of which an election was not required because of Subsection 17B-2-214(3)(c); and

(B) the proposed annexing municipality is not within the boundaries of the local district.

(b) The statement required by Subsection (2)(a)(v) shall state the deadline for filing a written protest in terms of the actual date rather than by reference to the statutory citation.

(c) In addition to the requirements under Subsection (2)(a), a notice under Subsection (1)(a) for a proposed annexation of an area within a county of the first class shall include a

statement that a protest to the annexation petition may be filed with the commission by property owners if it contains the signatures of the owners of private real property that:

- (i) is located in the unincorporated area within 1/2 mile of the area proposed for annexation;
- (ii) covers at least 25% of the private land area located in the unincorporated area within 1/2 mile of the area proposed for annexation; and
- (iii) is equal in value to at least 15% of all real property located in the unincorporated area within 1/2 mile of the area proposed for annexation.

Section 3. Section **10-2-419** is amended to read:

10-2-419. Boundary adjustment -- Notice and hearing -- Protest.

(1) The legislative bodies of two or more municipalities having common boundaries may adjust their common boundaries as provided in this section.

(2) (a) The legislative body of each municipality intending to adjust a boundary that is common with another municipality shall:

- (i) adopt a resolution indicating the intent of the municipal legislative body to adjust a common boundary;
- (ii) hold a public hearing on the proposed adjustment no less than 60 days after the adoption of the resolution under Subsection (2)(a)(i); and
- (iii) (A) publish notice at least once a week for three successive weeks in a newspaper of general circulation within the municipality; or
(B) if there is no newspaper of general circulation within the municipality, post at least one notice per 1,000 population in places within the municipality that are most likely to give notice to residents of the municipality.

(b) The notice required under Subsection (2)(a)(iii) shall:

- (i) state that the municipal legislative body has adopted a resolution indicating the municipal legislative body's intent to adjust a boundary that the municipality has in common with another municipality;
- (ii) describe the area proposed to be adjusted;

(iii) state the date, time, and place of the public hearing required under Subsection (2)(a)(ii); ~~and~~

(iv) state in conspicuous and plain terms that the municipal legislative body will adjust the boundaries unless, at or before the public hearing under Subsection (2)(a)(ii), written protests to the adjustment are filed by the owners of private real property that:

(A) is located within the area proposed for adjustment;

(B) covers at least 25% of the total private land area within the area proposed for adjustment; and

(C) is equal in value to at least 15% of the value of all private real property within the area proposed for adjustment~~[-]; and~~

(v) state that the area that is the subject of the boundary adjustment will, because of the boundary adjustment, be automatically annexed to a local district providing fire protection, paramedic, and emergency services, as provided in Section 17B-2-515.5, if:

(A) the municipality to which the area is being added because of the boundary adjustment is entirely within the boundaries of a local district:

(I) that provides fire protection, paramedic, and emergency services; and

(II) in the creation of which an election was not required because of Subsection 17B-2-214(3)(c); and

(B) the municipality from which the area is being taken because of the boundary adjustment is not within the boundaries of the local district; and

(vi) state that the area proposed for annexation to the municipality will be automatically withdrawn from a local district providing fire protection, paramedic, and emergency services, as provided in Subsection 17B-2-601(2), if:

(A) the municipality to which the area is being added because of the boundary adjustment is not within the boundaries of a local district:

(I) that provides fire protection, paramedic, and emergency services; and

(II) in the creation of which an election was not required because of Subsection 17B-2-214(3)(c); and

(B) the municipality from which the area is being taken because of the boundary adjustment is entirely within the boundaries of the local district.

(c) The first publication of the notice required under Subsection (2)(a)(iii)(A) shall be within 14 days of the municipal legislative body's adoption of a resolution under Subsection (2)(a)(i).

(3) Upon conclusion of the public hearing under Subsection (2)(a)(ii), the municipal legislative body may adopt an ordinance adjusting the common boundary unless, at or before the hearing under Subsection (2)(a)(ii), written protests to the adjustment have been filed with the city recorder or town clerk, as the case may be, by the owners of private real property that:

(a) is located within the area proposed for adjustment;

(b) covers at least 25% of the total private land area within the area proposed for adjustment; and

(c) is equal in value to at least 15% of the value of all private real property within the area proposed for adjustment.

(4) An ordinance adopted under Subsection (3) becomes effective when each municipality involved in the boundary adjustment has adopted an ordinance under Subsection (3).

Section 4. Section **10-2-425** is amended to read:

10-2-425. Filing of plat or map and amended articles -- Notice requirements.

(1) Within 30 days after enacting an ordinance annexing an unincorporated area or adjusting a boundary under this part, the municipal legislative body shall:

(a) record with the county recorder a certified copy of the ordinance approving the annexation or boundary adjustment, together with a plat or map prepared by a licensed surveyor and approved by the municipal legislative body, showing the new boundaries of the affected area; and

(b) file with the lieutenant governor amended articles of incorporation reflecting the annexation or boundary adjustment, as provided in Section 10-1-117.

(2) If an annexation or boundary adjustment under this part also causes an automatic

annexation to a local district under Section 17B-2-515.5 or an automatic withdrawal from a local district under Subsection 17B-2-601(2), the municipal legislative body shall, as soon as practicable after enacting an ordinance annexing an unincorporated area or adjusting a boundary, send notice of the annexation or boundary adjustment to the local district to which the annexed area is automatically annexed or from which the annexed area is automatically withdrawn.

~~[(2)]~~ (3) The municipal legislative body shall comply with the notice requirements of Section 10-1-116.

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

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

(1) (a) A county service area may provide: extended police protection; fire protection, paramedic, and emergency services; 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.

(b) If providing service requires the issuance of bonds or the creation of long-term obligations, the service may be supplied by means available as provided in this part.

(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.

Section 6. Section **17A-2-411** is amended to read:

17A-2-411. Board of trustees -- Selection procedures -- Surety bonds -- Other provisions applicable -- Board membership for certain service areas providing fire protection, paramedic, and emergency services.

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

(2) (a) [~~Upon~~] Except as provided in Subsection (11), 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~~] Except as provided in Subsection (11), 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~~] Except as provided in Subsection (11), 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

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, except as provided in Subsection (11).

(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]~~ Except as provided in Subsection (11), 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.

(11) (a) This Subsection (11) applies to a county service area created on or after May 5, 2003 if:

(i) the county service area was created to provide fire protection, paramedic, and emergency services; and

(ii) in the creation of the county service area, an election was not required under

Subsection 17B-2-214(3)(c).

(b) (i) Each county whose unincorporated area is included within the county service area, whether in conjunction with the creation of the county service area or by later annexation, shall appoint three members to the board of trustees.

(ii) Each municipality whose area is included within the county service area, whether in conjunction with the creation of the county service area or by later annexation, shall appoint one member to the board of trustees.

(iii) Each member appointed by a county under Subsection (11)(b)(i) shall be an elected official of the appointing county, and each member appointed by a municipality under Subsection (11)(b)(ii) shall be an elected official of the appointing municipality.

(c) The number of members of a board of trustees of a county service area to which this Subsection (11) applies shall be the number resulting from application of Subsection (11)(b).

(d) An employee of the county service area may not serve as a member of the board of trustees.

Section 7. Section **17B-2-202** is amended to read:

17B-2-202. Local district may be created -- Services that may be provided --

Limitations -- Name.

(1) A local district may be created as provided in this part to provide within its boundaries service consisting of:

- (a) the operation of an airport;
- (b) the operation of a cemetery;
- (c) the operation of a system for the generation or distribution of electricity;
- (d) the operation of a system for the transmission of natural or manufactured gas that is:
 - (i) connected to a gas plant, as defined in Section 54-2-1, of a gas corporation, as defined in Section 54-2-1, that is regulated under Section 54-4-1; and
 - (ii) to be used to facilitate gas utility service within the district if such gas utility service is not available within the district prior to the acquisition or construction of such a system;
- (e) fire protection, paramedic, and emergency services;

- (f) garbage collection and disposal;
- (g) health care;
- (h) the operation of a library;
- (i) abatement or control of mosquitos and other insects;
- (j) the operation of parks or recreation facilities;
- (k) the operation of a sewage system;
- (l) street lighting;
- (m) the construction and maintenance of curb, gutter, and sidewalk;
- (n) transportation;
- (o) the operation of a system for the control of storm or flood waters;
- (p) the operation of an irrigation water system;
- (q) the operation of a culinary water system; or
- (r) the underground installation of an electric utility line or the conversion to

underground of an existing electric utility line.

(2) For purposes of this section:

(a) "Operation" means all activities involved in providing the indicated service including acquisition and ownership of property reasonably necessary to provide the indicated service and acquisition, construction, and maintenance of facilities and equipment reasonably necessary to provide the indicated service.

(b) "System" means the aggregate of interrelated components that combine together to provide the indicated service including:

(i) for a sewage system, collection and treatment; and

(ii) for an irrigation or culinary water system, collection, retention, treatment, and distribution to either the end user or another that in turn distributes to the end user.

(3) (a) Except as provided in Subsection (3)(b), a local district may be created to provide and may after its creation provide no more than two of the services listed in Subsection (1).

(b) Notwithstanding Subsection (3)(a), a local district may be created to provide and may after its creation provide services consisting of:

- (i) the operation of some or all of the components of a sewage system;
- (ii) the operation of some or all of the components of an irrigation water system; and
- (iii) the operation of some or all of the components of a culinary water system.

(4) (a) Except as provided in Subsection (4)(b), a local district may not be created to provide and may not after its creation provide to an area the same service already being provided to that area by another political subdivision.

(b) For purposes of Subsection (4)(a), a local district does not provide the same service as another political subdivision if it operates a component of a system that is different from a component operated by another political subdivision but within the same:

- (i) sewage system;
- (ii) irrigation water system; or
- (iii) culinary water system.

(5) ~~[The]~~ Except for a local district in the creation of which an election is not required under Subsection 17B-2-214(3)(c), the area of a local district may include all or part of the unincorporated area of one or more counties and all or part of one or more municipalities.

(6) The name of a local district:

- (a) may include words descriptive of the type of service provided by the local district;

and

- (b) may not include the name of a county or municipality.

Section 8. Section **17B-2-213** is amended to read:

17B-2-213. Protest after adoption of resolution -- Adoption of resolution approving creation for certain districts.

(1) For purposes of this section, "adequate protests" means protests that are:

(a) filed with the county clerk or municipal clerk or recorder, as the case may be, within 60 days after the last public hearing required under Section 17B-2-210; and

(b) signed by:

- (i) the owners of private real property that:

(A) is located within the proposed local district;

(B) covers at least 25% of the total private land area within the applicable area; and
(C) is equal in value to at least 15% of the value of all private real property within the applicable area; or

(ii) registered voters residing within the applicable area equal in number to at least 25% of the number of votes cast in the applicable area for the office of governor at the last general election prior to the adoption of the resolution.

(2) If adequate protests are filed, the county or municipal legislative body that adopted a resolution under Subsection 17B-2-203(1)(c):

(a) may not:

(i) hold or participate in an election under Subsection 17B-2-214(1) with respect to the applicable area;

(ii) take any further action under the protested resolution to create a local district or include the applicable area in a local district; or

(iii) for a period of two years, adopt a resolution under Subsection 17B-2-203(1)(c) proposing the creation of a local district including substantially the same area as the applicable area and providing the same service as the proposed local district in the protested resolution; and

(b) shall, within five days of receiving adequate protests, mail or deliver written notification of the adequate protests to the responsible body.

(3) Subsection (2)(a) may not be construed to prevent an election from being held for a proposed local district whose boundaries do not include an applicable area that is the subject of adequate protests.

(4) (a) If adequate protests are not filed with respect to a resolution proposing the creation of a local district for which an election is not required under Subsection 17B-2-214(3)(c), a resolution approving the creation of the local district may be adopted by:

(i) the legislative body of a county whose unincorporated area is included within the proposed local district; and

(ii) the legislative body of a municipality whose area is included within the proposed local district.

(b) Each resolution adopted under Subsection (4)(a) shall:

(i) describe the area included in the local district;

(ii) be accompanied by a map that shows the boundaries of the local district;

(iii) describe the service to be provided by the local district;

(iv) state the name of the local district; and

(v) provide a process for the appointment of the members of the initial board of trustees.

Section 9. Section **17B-2-214** is amended to read:

17B-2-214. Election -- Exceptions.

(1) (a) Except as provided [~~under~~] in Subsection (3) and in Subsection 17B-2-213(2)(a), an election on the question of whether the local district should be created shall be held by:

(i) if the proposed local district is located entirely within a single county, the responsible clerk; or

(ii) except as provided under Subsection (1)(b), if the proposed local district is located within more than one county, the clerk of each county in which part of the proposed local district is located, in cooperation with the responsible clerk.

(b) Notwithstanding Subsection (1)(a)(ii), if the proposed local district is located within more than one county and the only area of a county that is included within the proposed local district is located within a single municipality, the election for that area shall be held by the municipal clerk or recorder, in cooperation with the responsible clerk.

(2) Each election under Subsection (1) shall be held at the next special or regular general election date that is:

(a) for an election pursuant to a property owner or registered voter petition, more than 45 days after certification of the petition under Subsection 17B-2-209(3)(b)(i); or

(b) for an election pursuant to a resolution, more than 60 days after the latest hearing required under Section 17B-2-210.

(3) The election requirement of Subsection (1) does not apply:

(a) to a petition filed under Subsection 17B-2-203(1)(a) if it contains the signatures of the owners of private real property that:

(i) is located within the proposed local district;
(ii) covers at least 67% of the total private land area within the proposed local district as a whole and within each applicable area; and

(iii) is equal in value to at least 50% of the value of all private real property within the proposed local district as a whole and within each applicable area; [~~or~~]

(b) to a petition filed under Subsection 17B-2-203(1)(b) if it contains the signatures of registered voters residing within the proposed local district as a whole and within each applicable area, equal in number to at least 67% of the number of votes cast in the proposed local district as a whole and in each applicable area, respectively, for the office of governor at the last general election prior to the filing of the petition[~~;~~]; or

(c) to a resolution adopted under Subsection 17B-2-203(1)(c) on or after May 5, 2003 that proposes the creation of a local district to provide fire protection, paramedic, and emergency services, if the proposed local district includes a majority of the unincorporated area of one or more counties and all of the area within one or more municipalities.

(4) (a) If the proposed local district is located in more than one county, the responsible clerk shall coordinate with the clerk of each other county and the clerk or recorder of each municipality involved in an election under Subsection (1) so that the election is held on the same date and in a consistent manner in each jurisdiction.

(b) The clerk of each county and the clerk or recorder of each municipality involved in an election under Subsection (1) shall cooperate with the responsible clerk in holding the election.

(c) Except as otherwise provided in this part, each election under Subsection (1) shall be governed by Title 20A, [~~Elections~~] Election Code.

Section 10. Section **17B-2-215** is amended to read:

17B-2-215. Certification to lieutenant governor -- Certificate of incorporation -- Notice to State Tax Commission and state auditor -- Local district incorporated -- Incorporation presumed conclusive.

(1) The responsible body shall file a notice with the lieutenant governor within ten days after:

(a) the canvass of an election under Section 17B-2-214, if a majority of those voting at the election within the proposed local district as a whole vote in favor of the creation of a local district; [or]

(b) certification of a petition as to which the election requirement of Subsection 17B-2-214(1) does not apply because of Subsection 17B-2-214(3)[-](a) or (b); or

(c) adoption of a resolution under Subsection 17B-2-213(4) approving the creation of a local district for which an election was not required under Subsection 17B-2-214(3)(c), by the legislative body of each county whose unincorporated area is included within and the legislative body of each municipality whose area is included within the proposed local district.

(2) In each notice under Subsection (1) the responsible body shall:

(a) if the notice follows an election under Section 17B-2-214:

(i) certify the results of the election; and

(ii) describe the boundaries of the new local district; and

(b) certify that all requirements for the creation of a local district have been complied with.

(3) (a) Within ten days after receiving the notice under Subsection (1), the lieutenant governor shall issue a certificate of incorporation for the new local district and send a copy of the certificate to the responsible body.

(b) The area of each local district declared to be incorporated by a certificate of incorporation issued under this section shall consist of:

(i) if an election was held under Section 17B-2-214, the area of the new local district as approved at the election; [or]

(ii) if an election was not required because of Subsection 17B-2-214(3)(a) or (b), the area of the proposed local district as described in the petition[-]; or

(iii) if an election was not required because of Subsection 17B-2-214(3)(c), the area of the new local district as described in the resolution adopted under Subsection 17B-2-213(4).

(4) (a) Within 30 days after receiving a certificate of incorporation under Subsection (3), the responsible body shall file a written notice of the creation of the local district with the State

Tax Commission and the state auditor.

(b) Each notice to the State Tax Commission under Subsection (4)(a) shall be accompanied by:

- (i) a copy of the lieutenant governor's certificate of incorporation; and
- (ii) a map showing the boundaries of the local district, prepared and certified by a

licensed surveyor.

(5) Upon the lieutenant governor's issuance of the certificate of incorporation, the local district is created and incorporated.

(6) A local district shall be conclusively presumed to be lawfully incorporated if no challenge to the existence or incorporation of the local district is filed in district court within 90 days after the lieutenant governor issues a certificate of incorporation.

Section 11. Section **17B-2-216** is amended to read:

17B-2-216. Costs and expenses of creating local district.

(1) Except as provided in Subsection (2), each county whose unincorporated area includes and each municipality whose boundaries include some or all of the proposed local district shall bear their respective costs and expenses associated with the procedure under this part for creating a local district.

(2) Within a year after its creation, each local district shall reimburse the costs and expenses associated with the preparation and certification of the map of the local district under Subsection 17B-2-215[~~(3)~~](4)(b)(ii).

Section 12. Section **17B-2-502** is amended 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.

(3) With respect to a local district in the creation of which an election was not required

under Subsection 17B-2-214(3)(c):

(a) an unincorporated area of a county may not be annexed to the local district unless, after annexation, at least a majority of the unincorporated area of the county will be included in the local district; and

(b) the annexation of any part of an area within a municipality shall include all of the area within the municipality.

Section 13. Section **17B-2-503** is amended to read:

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

(1) Except as provided in Sections 17B-2-515 [~~and~~], 17B-2-515.5, 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 14. Section **17B-2-514** is amended 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) (a) 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)]~~ (i) 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)]~~ (ii) 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.

(b) (i) As soon as practicable after receiving the notice under Subsection 10-2-425(2) of a municipal annexation that causes an automatic annexation to a local district under Section 17B-2-515.5, the board shall file a notice with the lieutenant governor.

(ii) The notice required under Subsection (2)(b)(i) shall:

(A) state that an area outside the boundaries of the local district is being automatically annexed to the local district under Section 17B-2-515.5 because of a municipal annexation under Title 10, Chapter 2, Part 4, Annexation; and

(B) be accompanied by an accurate map depicting the boundaries of the area to be annexed or a legal description of the area to be annexed, adequate for purposes of the county assessor and recorder.

(iii) The lieutenant governor shall issue a certificate of annexation as provided in Subsection 10-1-117(3)(b).

(iv) The annexation shall be complete upon the lieutenant governor's issuance of the certificate of annexation under Subsection 10-1-117(3)(b).

(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 15. Section **17B-2-515.5** is enacted to read:

17B-2-515.5. Automatic annexation to a district providing fire protection, paramedic, and emergency services.

(1) An area outside the boundaries of a local district that is annexed to a municipality or added to a municipality by a boundary adjustment under Title 10, Chapter 2, Part 4, Annexation, is automatically annexed to the local district if:

(a) the local district provides fire protection, paramedic, and emergency services;

(b) an election for the creation of the local district was not required because of Subsection 17B-2-214(3)(c); and

(c) before the municipal annexation or boundary adjustment, the entire municipality that is annexing the area or adding the area by boundary adjustment was included within the local district.

(2) The effective date of an annexation under this section is governed by Subsection 17B-2-514(2)(b)(iv).

Section 16. Section **17B-2-601** is amended to read:

17B-2-601. Withdrawal of area from local district -- Automatic withdrawal in certain circumstances -- Definitions.

(1) An area within the boundaries of a local district may be withdrawn from the local district as provided in this part.

(2) (a) An area within the boundaries of a local district is automatically withdrawn from the local district by the annexation of the area to a municipality or the adding of the area to a municipality by boundary adjustment under Title 10, Chapter 2, Part 4, Annexation, if:

(i) the local district provides fire protection, paramedic, and emergency services;

(ii) an election for the creation of the local district was not required because of Subsection 17B-2-214(3)(c); and

(iii) before annexation or boundary adjustment, the boundaries of the local district do not include any of the annexing municipality.

(b) The effective date of a withdrawal under this Subsection (2) is governed by Subsection 17B-2-610(1)(b).

~~[(2)]~~ (3) In addition to those definitions in Section 17B-2-101, as used in this part, "receiving entity" means an entity that will, following a withdrawal, provide to the withdrawn area the service previously provided by the local district.

Section 17. Section **17B-2-603** is amended to read:

17B-2-603. Initiation of withdrawal process -- Notice of petition.

(1) ~~[The]~~ Except as provided in Section 17B-2-603.5, the process to withdraw an area from a local district may be initiated:

(a) for a local district funded predominantly by revenues from property taxes or service charges other than those based upon acre-feet of water:

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

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

(B) covers at least 51% of the total private land within the area proposed to be withdrawn; and

(C) is equal in taxable value to at least 51% of the taxable value of all private real property within the area proposed to be withdrawn;

(ii) by a petition signed by registered voters residing within the area proposed to be withdrawn equal in number to at least 67% of the number of votes cast in the same area for the office of governor at the last regular general election before the filing of the petition;

(iii) by a resolution adopted by the board of trustees of the local district in which the area proposed to be withdrawn is located, which:

(A) states the reasons for withdrawal; and

(B) is accompanied by a general description of the area proposed to be withdrawn; or

(iv) by a resolution to file a petition with the local district to withdraw from the local district all or a specified portion of the area within a municipality or county, adopted by the governing body of a municipality that has within its boundaries an area located within the boundaries of a local district, or by the governing body of a county that has within its boundaries an area located within the boundaries of a local district that is located in more than one county, which petition of the governing body shall be filed with the board of trustees only if a written request to petition the board of trustees to withdraw an area from the local district has been filed with the governing body of the municipality, or county, and the request has been signed by registered voters residing within the boundaries of the area proposed for withdrawal equal in number to at least 51% of the number of votes cast in the same area for the office of governor at the last regular general election before the filing of the petition;

(b) 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:

(i) in the same manner as provided in Subsection (1)(a)(iii) or Subsection (1)(a)(iv); or

(ii) by a petition signed by the owners of at least 67% of the acre-feet of water allotted to the land proposed to be withdrawn; or

(c) for a local district funded predominantly by revenues other than property taxes, service charges, or assessments based upon an allotment of acre-feet of water:

(i) in the same manner as provided in Subsection (1)(a)(iii) or Subsection (1)(a)(iv); or

(ii) by a petition signed by the registered voters residing within the entire area proposed to be withdrawn, which area shall be comprised of an entire unincorporated area within the local district or an entire municipality within a local district, or a combination thereof, equal in number to at least 67% of the number of votes cast within the entire area proposed to be withdrawn for the office of governor at the last regular general election before the filing of the petition.

(2) Prior to soliciting any signatures on a petition under Subsection (1), the sponsors of the petition shall:

(a) notify the local district board with which the petition is intended to be filed that the sponsors will be soliciting signatures for a petition; and

(b) mail a copy of the petition to the local district board.

Section 18. Section **17B-2-603.5** is enacted to read:

17B-2-603.5. Withdrawal of municipality in certain districts providing fire protection, paramedic, and emergency services.

(1) (a) The process to withdraw an area from a local district may be initiated by a resolution adopted by the legislative body of a municipality that is entirely within the boundaries of a local district:

(i) that provides fire protection, paramedic, and emergency services; and

(ii) in the creation of which an election was not required because of Subsection 17B-2-214(3)(c).

(b) Within ten days after adopting a resolution under Subsection (1)(a), the municipal legislative body shall submit to the board of trustees of the local district written notice of the adoption of the resolution, accompanied by a copy of the resolution.

(2) If a resolution is adopted under Subsection (1)(a), the municipal legislative body shall hold an election at the next municipal general election that is more than 60 days after adoption of the resolution on the question of whether the municipality should withdraw from the local district.

(3) If a majority of those voting on the question of withdrawal at an election held under Subsection (2) vote in favor of withdrawal, the municipality shall be withdrawn from the local district.

(4) (a) Within ten days after the canvass of an election at which a withdrawal under this section is submitted to voters, the municipal legislative body shall send written notice to the board of the local district from which the municipality is proposed to withdraw.

(b) Each notice under Subsection (4)(a) shall:

(i) state the results of the withdrawal election; and

(ii) if the withdrawal was approved by voters, be accompanied by a map or legal description of the area to be withdrawn, adequate for purposes of the county assessor and recorder.

(5) The effective date of a withdrawal under this section is governed by Subsection 17B-2-610(1)(b).

Section 19. Section **17B-2-610** is amended to read:

17B-2-610. Notice of withdrawal -- Contest period -- Judicial review.

(1) (a) (i) Within ten days after adopting a resolution approving a withdrawal under Section 17B-2-608, the board of trustees shall file a written notice of the withdrawal with the State Tax Commission and the assessor and recorder of each county in which any part of the withdrawn area is located, accompanied by a copy of the resolution approving the withdrawal, an accurate map depicting the boundaries of the withdrawn area or a legal description of the withdrawn area, adequate for purposes of the county assessor and recorder.

~~[(b)]~~ (ii) Upon the filing of the notices required by Subsection (1)(a), the withdrawal shall be effective, subject to the conditions of the withdrawal resolution.

(b) (i) As soon as practicable after receiving a notice under Subsection 10-2-425(2) of an automatic withdrawal under Subsection 17B-2-601(2) or after receiving notice of a withdrawal of a municipality from a local district under Section 17B-2-603.5, the board of trustees shall file a written notice of the withdrawal with the lieutenant governor.

(ii) The notice required under Subsection (1)(b)(i) shall be accompanied by an accurate map depicting the boundaries of the withdrawn area or a legal description of the withdrawn area, adequate for purposes of the county assessor and recorder.

(iii) Within ten days after receiving the notice of a withdrawal of a municipality from a local district under Section 17B-2-603.5, the lieutenant governor shall:

(A) issue a certificate of withdrawal and send a copy of the certificate to the local district board, the State Tax Commission, the state auditor, and the assessor and recorder of each county in which any part of the withdrawn area is located; and

(B) send a copy of the notice of withdrawal, including the accompanying map or legal description, to the State Tax Commission and the assessor and recorder of each county in which any part of the withdrawn area is located.

(iv) (A) An automatic withdrawal under Subsection 17B-2-601(2) shall be effective upon

the lieutenant governor's issuance of a certificate of withdrawal under Subsection 10-1-117(3)(b).

(B) A withdrawal of a municipality from a local district under Section 17B-2-603.5 shall be effective upon the lieutenant governor's issuance of a certificate of withdrawal under Subsection (1)(b)(iii).

(2) The local district may provide for the publication of any resolution approving or denying the withdrawal of an area in a newspaper of general circulation in the area proposed for withdrawal. In lieu of publishing the entire resolution, the local district may publish a notice of withdrawal or denial of withdrawal, containing:

- (a) the name of the local district;
- (b) a description of the area proposed for withdrawal;
- (c) a brief explanation of the grounds on which the board of trustees determined to approve or deny the withdrawal; and
- (d) the times and place where a copy of the resolution may be examined, which shall be at the place of business of the local district, identified in the notice, during regular business hours of the local district as described in the notice and for a period of at least 30 days after the publication of the notice.

(3) Any sponsor of the petition or receiving entity may contest the board's decision to deny a withdrawal of an area from the local district by submitting a request, within 60 days after the resolution is adopted under Section 17B-2-608, to the board of trustees, suggesting terms or conditions to mitigate or eliminate the conditions upon which the board of trustees based its decision to deny the withdrawal.

(4) Within 60 days after the request under Subsection (3) is submitted to the board of trustees, the board may consider the suggestions for mitigation and adopt a resolution approving or denying the request in the same manner as provided in Section 17B-2-608 with respect to the original resolution denying the withdrawal and file a notice of the action as provided in Subsection (1).

(5) (a) Any person in interest may seek judicial review of:

- (i) the board of trustees' decision to withdraw an area from the local district;

- (ii) the terms and conditions of a withdrawal; or
- (iii) the board's decision to deny a withdrawal.

(b) Judicial review under this Subsection (5) shall be initiated by filing an action in the district court in the county in which a majority of the area proposed to be withdrawn is located:

(i) if the resolution approving or denying the withdrawal is published under Subsection (2), within 60 days after the publication or after the board of trustees' denial of the request under Subsection (4);

(ii) if the resolution is not published pursuant to Subsection (2), within 60 days after the resolution approving or denying the withdrawal is adopted; or

(iii) if a request is submitted to the board of trustees of a local district under Subsection (3), and the board adopts a resolution under Subsection (4), within 60 days after the board adopts a resolution under Subsection (4) unless the resolution is published under Subsection (2), in which event the action must be filed within 60 days after the publication.

(c) A court in which an action is filed under this Subsection (5) may not overturn, in whole or in part, the board of trustees' decision to approve or reject the withdrawal unless:

- (i) the court finds the board of trustees' decision to be arbitrary or capricious; or
- (ii) the court finds that the board materially failed to follow the procedures set forth in this part.

(d) A court may award costs and expenses of an action under this section, including reasonable attorney's fees, to the prevailing party.

(6) After the applicable contest period under Subsection (3) or (5), no person may contest the board of trustees' approval or denial of withdrawal for any cause.

Section 20. Section **59-2-924** is amended to read:

59-2-924. Report of valuation of property to county auditor and commission -- Transmittal by auditor to governing bodies -- Certified tax rate -- Adoption of tentative budget.

(1) (a) Before June 1 of each year, the county assessor of each county shall deliver to the county auditor and the commission the following statements:

(i) a statement containing the aggregate valuation of all taxable property in each taxing entity; and

(ii) a statement containing the taxable value of any additional personal property estimated by the county assessor to be subject to taxation in the current year.

(b) The county auditor shall, on or before June 8, transmit to the governing body of each taxing entity:

(i) the statements described in Subsections (1)(a)(i) and (ii);

(ii) an estimate of the revenue from personal property;

(iii) the certified tax rate; and

(iv) all forms necessary to submit a tax levy request.

(2) (a) (i) The "certified tax rate" means a tax rate that will provide the same ad valorem property tax revenues for a taxing entity as were collected by that taxing entity for the prior year.

(ii) For purposes of this Subsection (2), "ad valorem property tax revenues" do not include:

(A) collections from redemptions;

(B) interest; and

(C) penalties.

(iii) Except as provided in Subsection (2)(a)(iv), the certified tax rate shall be calculated by dividing the ad valorem property tax revenues collected for the prior year by the taxing entity by the taxable value established in accordance with Section 59-2-913.

(iv) The certified tax rates for the taxing entities described in this Subsection (2)(a)(iv) shall be calculated as follows:

(A) except as provided in Subsection (2)(a)(iv)(B), for new taxing entities the certified tax rate is zero;

(B) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

(I) in a county of the first, second, or third class, the levy imposed for municipal-type services under Sections 17-34-1 and 17-36-9; and

(II) in a county of the fourth, fifth, or sixth class, the levy imposed for general county

purposes and such other levies imposed solely for the municipal-type services identified in Section 17-34-1 and Subsection 17-36-3(22);

(C) for debt service voted on by the public, the certified tax rate shall be the actual levy imposed by that section, except that the certified tax rates for the following levies shall be calculated in accordance with Section 59-2-913 and this section:

(I) school leeways provided for under Sections 11-2-7, 53A-16-110, 53A-17a-125, 53A-17a-127, 53A-17a-134, 53A-17a-143, 53A-17a-145, and 53A-21-103; and

(II) levies to pay for the costs of state legislative mandates or judicial or administrative orders under Section 59-2-906.3.

(v) (A) A judgment levy imposed under Section 59-2-1328 or Section 59-2-1330 shall be established at that rate which is sufficient to generate only the revenue required to satisfy one or more eligible judgments, as defined in Section 59-2-102.

(B) The ad valorem property tax revenue generated by the judgment levy shall not be considered in establishing the taxing entity's aggregate certified tax rate.

(b) (i) For the purpose of calculating the certified tax rate, the county auditor shall use the taxable value of property on the assessment roll.

(ii) For purposes of Subsection (2)(b)(i), the taxable value of property on the assessment roll does not include new growth as defined in Subsection (2)(b)(iii).

(iii) "New growth" means:

(A) the difference between the increase in taxable value of the taxing entity from the previous calendar year to the current year; minus

(B) the amount of an increase in taxable value described in Subsection (2)(b)(iv).

(iv) Subsection (2)(b)(iii)(B) applies to the following increases in taxable value:

(A) the amount of increase to locally assessed real property taxable values resulting from factoring, reappraisal, or any other adjustments; or

(B) the amount of an increase in the taxable value of property assessed by the commission under Section 59-2-201 resulting from a change in the method of apportioning the taxable value prescribed by:

- (I) the Legislature;
- (II) a court;
- (III) the commission in an administrative rule; or
- (IV) the commission in an administrative order.

(c) Beginning January 1, 1997, if a taxing entity receives increased revenues from uniform fees on tangible personal property under Section 59-2-404, 59-2-405, or 59-2-405.1 as a result of any county imposing a sales and use tax under Chapter 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax rate to offset the increased revenues.

(d) (i) Beginning July 1, 1997, if a county has imposed a sales and use tax under Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:

(A) decreased on a one-time basis by the amount of the estimated sales tax revenue to be distributed to the county under Subsection 59-12-1102(3); and

(B) increased by the amount necessary to offset the county's reduction in revenue from uniform fees on tangible personal property under Section 59-2-404, 59-2-405, or 59-2-405.1 as a result of the decrease in the certified tax rate under Subsection (2)(d)(i)(A).

(ii) The commission shall determine estimates of sales tax distributions for purposes of Subsection (2)(d)(i).

(e) Beginning January 1, 1998, if a municipality has imposed an additional resort communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be decreased on a one-time basis by the amount necessary to offset the first 12 months of estimated revenue from the additional resort communities sales tax imposed under Section 59-12-402.

(f) For the calendar year beginning on January 1, 1999, and ending on December 31, 1999, a taxing entity's certified tax rate shall be adjusted by the amount necessary to offset the adjustment in revenues from uniform fees on tangible personal property under Section 59-2-405.1 as a result of the adjustment in uniform fees on tangible personal property under Section 59-2-405.1 enacted by the Legislature during the 1998 Annual General Session.

(g) For purposes of Subsections (2)(h) through (j):

(i) "1998 actual collections" means the amount of revenues a taxing entity actually

collected for the calendar year beginning on January 1, 1998, under Section 59-2-405 for:

(A) motor vehicles required to be registered with the state that weigh 12,000 pounds or less; and

(B) state-assessed commercial vehicles required to be registered with the state that weigh 12,000 pounds or less.

(ii) "1999 actual collections" means the amount of revenues a taxing entity actually collected for the calendar year beginning on January 1, 1999, under Section 59-2-405.1.

(h) For the calendar year beginning on January 1, 2000, the commission shall make the following adjustments:

(i) the commission shall make the adjustment described in Subsection (2)(i)(i) if, for the calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were greater than the sum of:

(A) the taxing entity's 1999 actual collections; and

(B) any adjustments the commission made under Subsection (2)(f);

(ii) the commission shall make the adjustment described in Subsection (2)(i)(ii) if, for the calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were greater than the taxing entity's 1999 actual collections, but the taxing entity's 1998 actual collections were less than the sum of:

(A) the taxing entity's 1999 actual collections; and

(B) any adjustments the commission made under Subsection (2)(f); and

(iii) the commission shall make the adjustment described in Subsection (2)(i)(iii) if, for the calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were less than the taxing entity's 1999 actual collections.

(i) (i) For purposes of Subsection (2)(h)(i), the commission shall increase a taxing entity's certified tax rate under this section and a taxing entity's certified revenue levy under Section 59-2-906.1 by the amount necessary to offset the difference between:

(A) the taxing entity's 1998 actual collections; and

(B) the sum of:

- (I) the taxing entity's 1999 actual collections; and
- (II) any adjustments the commission made under Subsection (2)(f).

(ii) For purposes of Subsection (2)(h)(ii), the commission shall decrease a taxing entity's certified tax rate under this section and a taxing entity's certified revenue levy under Section 59-2-906.1 by the amount necessary to offset the difference between:

- (A) the sum of:
 - (I) the taxing entity's 1999 actual collections; and
 - (II) any adjustments the commission made under Subsection (2)(f); and
- (B) the taxing entity's 1998 actual collections.

(iii) For purposes of Subsection (2)(h)(iii), the commission shall decrease a taxing entity's certified tax rate under this section and a taxing entity's certified revenue levy under Section 59-2-906.1 by the amount of any adjustments the commission made under Subsection (2)(f).

(j) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, for purposes of Subsections (2)(f) through (i), the commission may make rules establishing the method for determining a taxing entity's 1998 actual collections and 1999 actual collections.

(k) (i) (A) For fiscal year 2000, the certified tax rate of each county required under Subsection 17-34-1(4)(a) to provide advanced life support and paramedic services to the unincorporated area of the county shall be decreased by the amount necessary to reduce revenues in that fiscal year by an amount equal to the difference between the amount the county budgeted in its 2000 fiscal year budget for advanced life support and paramedic services countywide and the amount the county spent during fiscal year 2000 for those services, excluding amounts spent from a municipal services fund for those services.

(B) For fiscal year 2001, the certified tax rate of each county to which Subsection (2)(k)(i)(A) applies shall be decreased by the amount necessary to reduce revenues in that fiscal year by the amount that the county spent during fiscal year 2000 for advanced life support and paramedic services countywide, excluding amounts spent from a municipal services fund for those services.

(ii) (A) A city or town located within a county of the first class to which Subsection (2)(k)(i) applies may increase its certified tax rate by the amount necessary to generate within the city or town the same amount of revenues as the county would collect from that city or town if the decrease under Subsection (2)(k)(i) did not occur.

(B) An increase under Subsection (2)(k)(ii)(A), whether occurring in a single fiscal year or spread over multiple fiscal years, is not subject to the notice and hearing requirements of Sections 59-2-918 and 59-2-919.

(l) (i) The certified tax rate of each county required under Subsection 17-34-1(4)(b) to provide detective investigative services to the unincorporated area of the county shall be decreased:

(A) in fiscal year 2001 by the amount necessary to reduce revenues in that fiscal year by at least \$4,400,000; and

(B) in fiscal year 2002 by the amount necessary to reduce revenues in that fiscal year by an amount equal to the difference between \$9,258,412 and the amount of the reduction in revenues under Subsection (2)(l)(i)(A).

(ii) (A) (I) Beginning with municipal fiscal year 2002, a city or town located within a county to which Subsection (2)(l)(i) applies may increase its certified tax rate to generate within the city or town the same amount of revenue as the county would have collected during county fiscal year 2001 from within the city or town except for Subsection (2)(l)(i)(A).

(II) Beginning with municipal fiscal year 2003, a city or town located within a county to which Subsection (2)(l)(i) applies may increase its certified tax rate to generate within the city or town the same amount of revenue as the county would have collected during county fiscal year 2002 from within the city or town except for Subsection (2)(l)(i)(B).

(B) (I) Except as provided in Subsection (2)(l)(ii)(B)(II), an increase in the city or town's certified tax rate under Subsection (2)(l)(ii)(A), whether occurring in a single fiscal year or spread over multiple fiscal years, is subject to the notice and hearing requirements of Sections 59-2-918 and 59-2-919.

(II) For an increase under this Subsection (2)(l)(ii) that generates revenue that does not

exceed the same amount of revenue as the county would have collected except for Subsection (2)(l)(i), the requirements of Sections 59-2-918 and 59-2-919 do not apply if the city or town:

(aa) publishes a notice that meets the size, type, placement, and frequency requirements of Section 59-2-919, reflects that the increase is a shift of a tax from one imposed by the county to one imposed by the city or town, and explains how the revenues from the tax increase will be used; and

(bb) holds a public hearing on the tax shift that may be held in conjunction with the city or town's regular budget hearing.

(m) (i) This Subsection (2)(m) applies to each county that:

(A) establishes a countywide special service district under Title 17A, Chapter 2, Part 13, Utah Special Service District Act, to provide jail service, as provided in Subsection 17A-2-1304(1)(a)(x); and

(B) levies a property tax on behalf of the special service district under Section 17A-2-1322.

(ii) (A) The certified tax rate of each county to which this Subsection (2)(m) applies shall be decreased by the amount necessary to reduce county revenues by the same amount of revenues that will be generated by the property tax imposed on behalf of the special service district.

(B) Each decrease under Subsection (2)(m)(ii)(A) shall occur contemporaneously with the levy on behalf of the special service district under Section 17A-2-1322.

(n) (i) As used in this Subsection (2)(n):

(A) "Annexing county" means a county whose unincorporated area is included within a fire district by annexation.

(B) "Annexing municipality" means a municipality whose area is included within a fire district by annexation.

(C) "Equalized fire protection tax rate" means the tax rate that results from:

(I) calculating, for each participating county and each participating municipality, the property tax revenue necessary to cover all of the costs associated with providing fire protection, paramedic, and emergency services:

(aa) for a participating county, in the unincorporated area of the county; and

(bb) for a participating municipality, in the municipality; and

(II) adding all the amounts calculated under Subsection (2)(n)(i)(C)(I) for all participating counties and all participating municipalities and then dividing that sum by the aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:

(aa) for participating counties, in the unincorporated area of all participating counties;
and

(bb) for participating municipalities, in all the participating municipalities.

(D) "Fire district" means a county service area under Title 17A, Chapter 2, Part 4, County Service Area Act, in the creation of which an election was not required under Subsection 17B-2-214(3)(c).

(E) "Fire protection tax rate" means:

(I) for an annexing county, the property tax rate that, when applied to taxable property in the unincorporated area of the county, generates enough property tax revenue to cover all the costs associated with providing fire protection, paramedic, and emergency services in the unincorporated area of the county; and

(II) for an annexing municipality, the property tax rate that generates enough property tax revenue in the municipality to cover all the costs associated with providing fire protection, paramedic, and emergency services in the municipality.

(F) "Participating county" means a county whose unincorporated area is included within a fire district at the time of the creation of the fire district.

(G) "Participating municipality" means a municipality whose area is included within a fire district at the time of the creation of the fire district.

(ii) In the first year following creation of a fire district, the certified tax rate of each participating county and each participating municipality shall be decreased by the amount of the equalized fire protection tax rate.

(iii) In the first year following annexation to a fire district, the certified tax rate of each annexing county and each annexing municipality shall be decreased by the fire protection tax

rate.

(iv) Each tax levied under this section by a fire district shall be considered to be levied by:

(A) each participating county and each annexing county for purposes of the county's tax limitation under Section 59-2-908; and

(B) each participating municipality and each annexing municipality for purposes of the municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a city.

(3) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.

(b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county auditor of:

(i) its intent to exceed the certified tax rate; and

(ii) the amount by which it proposes to exceed the certified tax rate.

(c) The county auditor shall notify all property owners of any intent to exceed the certified tax rate in accordance with Subsection 59-2-919(2).

(4) (a) The taxable value for the base year under Subsection 17B-4-102(4) shall be reduced for any year to the extent necessary to provide a redevelopment agency established under Title 17B, Chapter 4, Redevelopment Agencies Act, with approximately the same amount of money the agency would have received without a reduction in the county's certified tax rate if:

(i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i);

(ii) the amount of the decrease is more than 20% of the county's certified tax rate of the previous year; and

(iii) the decrease results in a reduction of the amount to be paid to the agency under Section 17B-4-1003 or 17B-4-1004.

(b) The taxable value of the base year under Subsection [~~17B-4-101~~] 17B-4-102(4) shall be increased in any year to the extent necessary to provide a redevelopment agency with approximately the same amount of money as the agency would have received without an increase in the certified tax rate that year if:

(i) in that year the taxable value for the base year under Subsection [~~17B-4-101~~] 17B-4-102(4) is reduced due to a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i); and

(ii) The certified tax rate of a city, school district, or special district increases independent of the adjustment to the taxable value of the base year.

(c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i), the amount of money allocated and, when collected, paid each year to a redevelopment agency established under Title 17B, Chapter 4, Redevelopment Agencies Act, for the payment of bonds or other contract indebtedness, but not for administrative costs, may not be less than that amount would have been without a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i).

Section 21. Coordination clause.

(1) If this bill and H.B. 95, Annexation of Unincorporated County Islands Into Cities, both pass, it is the intent of the Legislature that, in preparing the Utah Code database for publication, the Office of Legislative Research and General Counsel change Section 10-2-428, as enacted in H.B. 95, to read:

'10-2-428. Neither annexation nor boundary adjustment has an effect on the boundaries of most independent special districts and local districts.

Except as provided in Section 17B-2-515.5 and Subsection 17B-2-601(2), the annexation of an unincorporated area by a municipality or the adjustment of a boundary shared by municipalities does not affect the boundaries of an independent special district under Title 17A, Chapter 2, Independent Special Districts, or a local district under Title 17B, Chapter 2, Local Districts.'

(2) If this bill and S.B. 18, Lieutenant Governor Certification of Special District and Local District Annexations, Withdrawals, and Dissolutions, both pass, it is the intent of the Legislature that, in preparing the Utah Code database for publication, the Office of Legislative Research and General Counsel:

(a) combine the amendments made by this bill and S.B. 18 to Section 17B-2-514 so that

Section 17B-2-514 shall 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~~] approving the annexation of 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~~] a resolution approving annexation under this part may not [~~occur~~] be adopted until the written consent of the United States is obtained and filed with the board of trustees.

(2) (a) [~~Within ten~~] The board shall file a notice with the lieutenant governor:

(i) within 90 days after adoption of [~~an annexation~~] a 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~~]; and

(ii) as soon as practicable after receiving the notice under Subsection 10-2-425(2) of a municipal annexation that causes an automatic annexation to a local district under Section 17B-2-515.5.

(b) The notice required under Subsection (2)(a) shall:

(i) be accompanied by:

(A) if applicable, a copy of the board resolution approving the annexation; and

(B) an accurate map depicting the boundaries of the area to be annexed or a legal description of the area to be annexed, adequate for purposes of the county assessor and recorder;

(ii) for an annexation pursuant to a resolution described in Subsection (2)(a)(i), include a certification by the local district board that all requirements for the annexation have been complied with; and

(iii) for an automatic annexation to a local district under Section 17B-2-515.5, state that an area outside the boundaries of the local district is being automatically annexed to the local district under Section 17B-2-515.5 because of a municipal annexation under Title 10, Chapter 2, Part 4, Annexation.

(c) (i) Within ten days after receiving the notice under Subsection (2)(a)(i), the lieutenant governor shall:

(A) issue a certificate of annexation and send a copy of the certificate to the local district board, the State Tax Commission, the state auditor, and the assessor and recorder of each county in which any part of the annexed area is located; and

(B) send a [written] copy of the notice [of annexation with] under Subsection (2)(a)(i), including the accompanying map or legal description, to the State Tax Commission[, the lieutenant governor,] and the assessor and recorder of [the] each county in which any part of 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.]

(ii) The lieutenant governor shall issue a certificate of annexation for an automatic annexation that is the subject of a notice under Subsection (2)(a)(ii) as provided in Subsection 10-2-117(3)(b).

(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).];

(a) for an annexation pursuant to a resolution described in Subsection (2)(a)(i), upon the

lieutenant governor's issuance of the certificate of annexation under Subsection (2)(c)(i); and

(b) for an automatic annexation that is the subject of a notice under Subsection (2)(a)(ii), upon the lieutenant governor's issuance of the certificate of annexation under Subsection 10-1-117(3)(b).'; and

(b) combine the amendments made by this bill and S.B. 18 to Section 17B-2-610 so that Section 17B-2-610 shall read:

17B-2-610. Notice of withdrawal -- Contest period -- Judicial review.

(1) (a) [~~Within ten days after adopting a resolution approving a withdrawal, the~~] The board of trustees shall file a written notice of withdrawal with the lieutenant governor:

(i) within ten days after adopting a resolution approving a withdrawal under Section 17B-2-608; and

(ii) as soon as practicable after receiving a notice under Subsection 10-2-425(2) of an automatic withdrawal under Subsection 17B-2-601(2) or after receiving notice of a withdrawal of a municipality from a local district under Section 17B-2-603.5.

(b) The notice required under Subsection (1)(a) shall:

(i) be accompanied by:

(A) for a withdrawal pursuant to a resolution adopted under Section 17B-2-608, a copy of the board resolution approving the withdrawal; and

(B) an accurate map depicting the boundaries of the withdrawn area or a legal description of the withdrawn area, adequate for purposes of the county assessor and recorder; and

(ii) for a withdrawal pursuant to a resolution adopted under Section 17B-2-608, include a certification by the local district board that all requirements for the withdrawal have been complied with.

(c) Within ten days after receiving the notice of withdrawal under Subsection (1)(a) for a withdrawal under Section 17B-2-608 or for the withdrawal of a municipality from a local district under Section 17B-2-603.5, the lieutenant governor shall:

(i) issue a certificate of withdrawal and send a copy of the certificate to the local district board, the State Tax Commission, the state auditor, and the assessor and recorder of each county

in which any part of the withdrawn area is located; and

(ii) send a copy of the notice [of the withdrawal with] under Subsection (1)(a), including the accompanying map or legal description, to the State Tax Commission and the assessor and recorder of each county in which any part of the withdrawn area is located[, accompanied by a copy of the resolution approving the withdrawal, an accurate map depicting the boundaries of the withdrawn area or a legal description of the withdrawn area, adequate for purposes of the county assessor and recorder].

[~~(b)~~] (2) (a) Upon the [filing of the notices required by Subsection (1)(a)] lieutenant governor's issuance of the certificate of withdrawal under Subsection (1)(c)(i) for a withdrawal under Section 17B-2-608 or for the withdrawal of a municipality from a local district under Section 17B-2-603.5, the withdrawal shall be effective, subject to the conditions of the withdrawal resolution, if applicable.

(b) An automatic withdrawal under Subsection 17B-2-601(2) shall be effective upon the lieutenant governor's issuance of a certificate of withdrawal under Subsection 10-1-117(3)(b).

[~~(2)~~] (3) The local district may provide for the publication of any resolution approving or denying the withdrawal of an area in a newspaper of general circulation in the area proposed for withdrawal. In lieu of publishing the entire resolution, the local district may publish a notice of withdrawal or denial of withdrawal, containing:

- (a) the name of the local district;
- (b) a description of the area proposed for withdrawal;
- (c) a brief explanation of the grounds on which the board of trustees determined to approve or deny the withdrawal; and
- (d) the times and place where a copy of the resolution may be examined, which shall be at the place of business of the local district, identified in the notice, during regular business hours of the local district as described in the notice and for a period of at least 30 days after the publication of the notice.

[~~(3)~~] (4) Any sponsor of the petition or receiving entity may contest the board's decision to deny a withdrawal of an area from the local district by submitting a request, within 60 days

after the resolution is adopted under Section 17B-2-608, to the board of trustees, suggesting terms or conditions to mitigate or eliminate the conditions upon which the board of trustees based its decision to deny the withdrawal.

~~[(4)]~~ (5) Within 60 days after the request under Subsection ~~[(3)]~~ (4) is submitted to the board of trustees, the board may consider the suggestions for mitigation and adopt a resolution approving or denying the request in the same manner as provided in Section 17B-2-608 with respect to the original resolution denying the withdrawal and file a notice of the action as provided in Subsection (1).

~~[(5)]~~ (6) (a) Any person in interest may seek judicial review of:

- (i) the board of trustees' decision to withdraw an area from the local district;
- (ii) the terms and conditions of a withdrawal; or
- (iii) the board's decision to deny a withdrawal.

(b) Judicial review under this Subsection ~~[(5)]~~ (6) shall be initiated by filing an action in the district court in the county in which a majority of the area proposed to be withdrawn is located:

(i) if the resolution approving or denying the withdrawal is published under Subsection ~~[(2)]~~ (3), within 60 days after the publication or after the board of trustees' denial of the request under Subsection ~~[(4)]~~ (5);

(ii) if the resolution is not published pursuant to Subsection ~~[(2)]~~ (3), within 60 days after the resolution approving or denying the withdrawal is adopted; or

(iii) if a request is submitted to the board of trustees of a local district under Subsection ~~[(3)]~~ (4), and the board adopts a resolution under Subsection ~~[(4)]~~ (5), within 60 days after the board adopts a resolution under Subsection ~~[(4)]~~ (5) unless the resolution is published under Subsection ~~[(2)]~~ (3), in which event the action must be filed within 60 days after the publication.

(c) A court in which an action is filed under this Subsection ~~[(5)]~~ (6) may not overturn, in whole or in part, the board of trustees' decision to approve or reject the withdrawal unless:

- (i) the court finds the board of trustees' decision to be arbitrary or capricious; or
- (ii) the court finds that the board materially failed to follow the procedures set forth in

this part.

(d) A court may award costs and expenses of an action under this section, including reasonable attorney's fees, to the prevailing party.

~~[(6)]~~ (7) After the applicable contest period under Subsection [~~(3) or (5)~~] (4) or (6), no person may contest the board of trustees' approval or denial of withdrawal for any cause."