

1 **LOCAL GOVERNMENT ENTITIES AMENDMENTS**

2 2014 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Jerry W. Stevenson**

5 House Sponsor: Stephen G. Handy

7 **LONG TITLE**

8 **General Description:**

9 This bill amends provisions related to local government entities.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ defines terms;
- 13 ▶ prohibits, with certain exceptions, a governing body from spending money
- 14 deposited in an enterprise fund for a purpose that is not directly related to the goods
- 15 or services provided by the enterprise for which the enterprise fund was created;
- 16 ▶ authorizes a local district to provide services, nonmonetary assistance, or monetary
- 17 assistance to a nonprofit entity;
- 18 ▶ amends provisions related to the creation of a local district;
- 19 ▶ amends provisions governing the term of an appointed water conservancy district
- 20 board member;
- 21 ▶ clarifies provisions that exempt an appointing authority from certain requirements if
- 22 it appoints one of its own members to a board of trustees;
- 23 ▶ authorizes a local district to designate and consolidate polling places and provide a
- 24 local district election ballot in consultation with a county clerk;
- 25 ▶ amends provisions related to the division of a local district for the purpose of
- 26 electing or appointing the members of the board of trustees;
- 27 ▶ amends provisions related to the authority of a local district to continue to tax an
- 28 area withdrawn from the local district;
- 29 ▶ requires a board of trustees to mail notice of a hearing to consider adoption of a

- 30 budget to an owner of property or a registered voter within the local district;
- 31 ▶ prohibits in certain circumstances a county legislative body from adopting a
- 32 resolution for the appointment of a board of trustees member in a county
- 33 improvement district;
- 34 ▶ amends provisions related to a mosquito abatement district's power to establish a
- 35 reserve fund;
- 36 ▶ amends certain provisions related to the funding of a public transit district;
- 37 ▶ allows a member of a public transit district board of trustees who is appointed by a
- 38 county or municipality to be employed by the county or municipality in certain
- 39 circumstances;
- 40 ▶ amends criminal provisions related to riding in a transit vehicle without payment;
- 41 ▶ amends a public transit district's authority to use certain information obtained
- 42 through a background check;
- 43 ▶ requires a board of trustees for a water conservancy district to give written notice of
- 44 an upcoming vacancy in an appointed trustee's term within a certain period of time;
- 45 ▶ amends definitions;
- 46 ▶ amends provisions authorizing a municipality or improvement district to appoint
- 47 members to an administrative control board;
- 48 ▶ amends provisions related to the board of canvassers for a local district;
- 49 ▶ authorizes a public transit district to use an automatic license plate reader system to
- 50 assess parking needs and conduct travel pattern analyses;
- 51 ▶ authorizes the dissemination of a criminal history or warrant of arrest information to
- 52 a public transit district for certain purposes;
- 53 ▶ amends provisions related to the state auditor's authority to withhold state allocated
- 54 funds or the disbursement of property taxes from a state or local taxing or
- 55 fee-assessing unit;
- 56 ▶ amends provisions relating to adverse possession to include a local district; and
- 57 ▶ makes technical and conforming amendments.

58 **Money Appropriated in this Bill:**

59 None

60 **Other Special Clauses:**

61 None

62 **Utah Code Sections Affected:**

63 AMENDS:

64 **10-5-107**, as last amended by Laws of Utah 2010, Chapters 116 and 378

65 **10-6-106**, as last amended by Laws of Utah 2003, Chapter 292

66 **10-6-135**, as last amended by Laws of Utah 2010, Chapter 116

67 **17B-1-103**, as last amended by Laws of Utah 2011, Chapters 68 and 272

68 **17B-1-202**, as last amended by Laws of Utah 2013, Chapters 246 and 448

69 **17B-1-303**, as last amended by Laws of Utah 2013, Chapter 448

70 **17B-1-304**, as last amended by Laws of Utah 2013, Chapter 448

71 **17B-1-306**, as last amended by Laws of Utah 2013, Chapters 402 and 448

72 **17B-1-306.5**, as renumbered and amended by Laws of Utah 2008, Chapter 360

73 **17B-1-511**, as last amended by Laws of Utah 2012, Chapter 97

74 **17B-1-609**, as last amended by Laws of Utah 2012, Chapter 97

75 **17B-1-641**, as renumbered and amended by Laws of Utah 2007, Chapter 329

76 **17B-1-901**, as enacted by Laws of Utah 2007, Chapter 329

77 **17B-2a-404**, as last amended by Laws of Utah 2012, Chapter 97

78 **17B-2a-703**, as enacted by Laws of Utah 2007, Chapter 329

79 **17B-2a-804**, as last amended by Laws of Utah 2011, Chapter 223

80 **17B-2a-807**, as last amended by Laws of Utah 2013, Chapter 191

81 **17B-2a-821**, as renumbered and amended by Laws of Utah 2007, Chapter 329

82 **17B-2a-825**, as last amended by Laws of Utah 2010, Chapter 281

83 **17B-2a-1005**, as last amended by Laws of Utah 2010, Chapter 159

84 **17D-1-102**, as last amended by Laws of Utah 2013, Chapter 265

85 **17D-1-302**, as last amended by Laws of Utah 2012, Chapter 97

- 86 **17D-1-303**, as enacted by Laws of Utah 2008, Chapter 360
- 87 **17D-1-304**, as last amended by Laws of Utah 2012, Chapter 97
- 88 **20A-1-512**, as last amended by Laws of Utah 2013, Chapter 448
- 89 **20A-4-301**, as last amended by Laws of Utah 2010, Chapter 197
- 90 **41-6a-2003**, as enacted by Laws of Utah 2013, Chapter 447
- 91 **53-10-108**, as last amended by Laws of Utah 2012, Chapter 239
- 92 **67-3-1**, as last amended by Laws of Utah 2013, Chapter 384
- 93 **78B-2-216**, as last amended by Laws of Utah 2010, Chapter 30

94 ENACTS:

95 **10-5-102.5**, Utah Code Annotated 1953



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

98 Section 1. Section **10-5-102.5** is enacted to read:

99 **10-5-102.5. Definitions.**

100 (1) "Enterprise fund" means a fund as defined by the Governmental Accounting
101 Standards Board that is used by a municipality to report an activity for which a fee is charged to
102 users for goods or services.

103 (2) "Utility" means a utility owned by a town, in whole or in part, that provides
104 electricity, gas, water, or sewer, or any combination of them.

105 Section 2. Section **10-5-107** is amended to read:

106 **10-5-107. Tentative budgets required for public inspection -- Contents --**
107 **Adoption of tentative budget.**

108 (1) (a) On or before the first regularly scheduled town council meeting of May, the
109 mayor shall:

110 (i) prepare for the ensuing year, on forms provided by the state auditor, a tentative
111 budget for each fund for which a budget is required;

112 (ii) make the tentative budget available for public inspection; and

113 (iii) submit the tentative budget to the town council.

114 (b) The tentative budget of each fund shall set forth in tabular form:

115 (i) actual revenues and expenditures in the last completed fiscal year;

116 (ii) estimated total revenues and expenditures for the current fiscal year; and

117 (iii) the mayor's estimates of revenues and expenditures for the budget year.

118 (2) (a) The mayor shall:

119 (i) estimate the amount of revenue available to serve the needs of each fund;

120 (ii) estimate the portion to be derived from all sources other than general property

121 taxes; and

122 (iii) estimate the portion that shall be derived from general property taxes.

123 (b) From the estimates required by Subsection (2)(a), the mayor shall compute and

124 disclose in the budget the lowest rate of property tax levy that will raise the required amount of

125 revenue, calculating the levy on the latest taxable value.

126 (3) A governing body may spend or transfer money deposited in an enterprise fund for

127 a good, service, project, venture, or other purpose that is not directly related to the goods or

128 services provided by the enterprise for which the enterprise fund was created, if the governing

129 body:

130 (a) transfers the money from the enterprise fund to another fund; and

131 (b) complies with the hearing and notice requirements of Subsections (5)(a), (b), and

132 (c).

133 ~~[(3)]~~ (4) (a) Before the public hearing required under Section 10-5-108, the town

134 council:

135 (i) shall review, consider, and tentatively adopt the tentative budget in any regular

136 meeting or special meeting called for that purpose; and

137 (ii) may amend or revise the tentative budget.

138 (b) At the meeting at which the town council adopts the tentative budget, the council

139 shall establish the time and place of the public hearing required under Section 10-5-108.

140 ~~[(4) (a) Except as provided in Subsection (4)(d), if]~~

141 (5) (a) Except as provided in Subsection (5)(d), if a town council includes in a tentative

142 budget, or an amendment to a budget, allocations or transfers from [a utility] an enterprise fund
143 to another fund [~~that are not~~] for a good, service, project, venture, or purpose other than
144 reasonable allocations of costs between the [utility] enterprise fund and the other fund, the
145 governing body shall:

- 146 (i) hold a public hearing;
- 147 (ii) prepare a written notice of the date, time, place, and purpose of the hearing as
148 described in Subsection [~~(4)~~] (5)(b); and
- 149 (iii) subject to Subsection [~~(4)~~] (5)(c), mail the notice to each [utility] enterprise fund
150 customer at least seven days before the day of the hearing.

151 (b) The purpose portion of the written notice shall identify:

- 152 (i) the [utility] enterprise fund from which money is being allocated or transferred;
- 153 (ii) the amount being allocated or transferred; and
- 154 (iii) the fund to which the money is being allocated or transferred.

155 (c) The town council:

- 156 (i) may print the written notice required under Subsection [~~(4)~~] (5)(a)(ii) on the [utility]
157 enterprise fund customer's bill; and
- 158 (ii) shall include the written notice required under Subsection [~~(4)~~] (5)(a)(ii) as separate
159 notification mailed or transmitted with the [utility] enterprise fund customer's bill.

160 [~~(d) The notice and hearing requirements in this Subsection (4) are not required for an~~
161 ~~allocation or a transfer included in an original budget or in a subsequent budget amendment~~
162 ~~previously approved by the town council for the current fiscal year.]~~

163 (d) A governing body is not required to repeat the notice and hearing requirements in
164 this Subsection (5) if the funds to be allocated or transferred for the current year were
165 previously approved by the governing body during the current year and at a public hearing that
166 complies with the notice and hearing requirements of this Subsection (5).

167 Section 3. Section **10-6-106** is amended to read:

168 **10-6-106. Definitions.**

169 As used in this chapter:

170 (1) "Account group" is defined by generally accepted accounting principles as reflected
171 in the Uniform Accounting Manual for Utah Cities.

172 (2) "Appropriation" means an allocation of money by the governing body for a specific
173 purpose.

174 (3) (a) "Budget" means a plan of financial operations for a fiscal period which
175 embodies estimates of proposed expenditures for given purposes and the proposed means of
176 financing them.

177 (b) "Budget" may refer to the budget of a particular fund for which a budget is required
178 by law or it may refer collectively to the budgets for all such funds.

179 (4) "Budgetary fund" means a fund for which a budget is required.

180 (5) "Budget officer" means the city auditor in a city of the first and second class, the
181 mayor or some person appointed by the mayor with the approval of the city council in a city of
182 the third, fourth, or fifth class, the mayor in the council-mayor optional form of government, or
183 the person designated by the charter in a charter city.

184 (6) "Budget period" means the fiscal period for which a budget is prepared.

185 (7) "Check" means an order in a specific amount drawn upon a depository by an
186 authorized officer of a city.

187 (8) "Current period" means the fiscal period in which a budget is prepared and adopted,
188 i.e., the fiscal period next preceding the budget period.

189 (9) "Department" means any functional unit within a fund that carries on a specific
190 activity, such as a fire or police department within a General Fund.

191 (10) "Encumbrance system" means a method of budgetary control in which part of an
192 appropriation is reserved to cover a specific expenditure by charging obligations, such as
193 purchase orders, contracts, or salary commitments to an appropriation account at their time of
194 origin. Such obligations cease to be encumbrances when paid or when the actual liability is
195 entered on the city's books of account.

196 (11) "Enterprise fund" means a fund as defined by the Governmental Accounting
197 Standards Board that is used by a municipality to report an activity for which a fee is charged to

198 users for goods or services.

199 [(11)] (12) "Estimated revenue" means the amount of revenue estimated to be received
200 from all sources during the budget period in each fund for which a budget is being prepared.

201 [(12)] (13) "Financial officer" means the mayor in the council-mayor optional form of
202 government or the city official as authorized by Section 10-6-158.

203 [(13)] (14) "Fiscal period" means the annual or biennial period for accounting for fiscal
204 operations in each city.

205 [(14)] (15) "Fund" is as defined by generally accepted accounting principles as
206 reflected in the Uniform Accounting Manual for Utah Cities.

207 [(15)] (16) "Fund balance," "retained earnings," and "deficit" have the meanings
208 commonly accorded such terms under generally accepted accounting principles as reflected in
209 the Uniform Accounting Manual for Utah Cities.

210 [(16)] (17) "Governing body" means a city council, or city commission, as the case
211 may be, but the authority to make any appointment to any position created by this chapter is
212 vested in the mayor in the council-mayor optional form of government.

213 [(17)] (18) "Interfund loan" means a loan of cash from one fund to another, subject to
214 future repayment and does not constitute an expenditure or a use of retained earnings or fund
215 balance of the lending fund or revenue to the borrowing fund.

216 [(18)] (19) "Last completed fiscal period" means the fiscal period next preceding the
217 current period.

218 [(19)] (20) (a) "Public funds" means any money or payment collected or received by an
219 officer or employee of the city acting in an official capacity and includes money or payment to
220 the officer or employee for services or goods provided by the city, or the officer or employee
221 while acting within the scope of employment or duty. [~~Public funds do~~]

222 (b) "Public funds" does not include money or payments collected or received by an
223 officer or employee of a city for charitable purposes if the mayor or city council has consented
224 to the officer's or employee's participation in soliciting contributions for a charity.

225 [(20)] (21) "Special fund" means any fund other than the General Fund.

226 (22) "Utility" means a utility owned by a city, in whole or in part, that provides
227 electricity, gas, water, or sewer, or any combination of them.

228 [~~21~~] (23) "Warrant" means an order drawn upon the city treasurer, in the absence of
229 sufficient money in the city's depository, by an authorized officer of a city for the purpose of
230 paying a specified amount out of the city treasury to the person named or to the bearer as
231 money becomes available.

232 Section 4. Section **10-6-135** is amended to read:

233 **10-6-135. Operating and capital budgets.**

234 (1) (a) As used in this section, "operating and capital budget" means a plan of financial
235 operation for an enterprise fund or other required special fund that includes estimates of
236 operating resources, expenses, and other outlays for a fiscal period.

237 (b) Except as otherwise expressly provided, any reference to "budget" or "budgets" and
238 the procedures and controls relating to them in other sections of this chapter do not apply or
239 refer to the operating and capital budgets described in this section.

240 (2) At or before the time the governing body adopts budgets for the funds described in
241 Section **10-6-109**, the governing body shall adopt:

242 (a) an operating and capital budget for each enterprise fund for the ensuing fiscal
243 period; and

244 (b) the type of budget for other special funds as required by the Uniform Accounting
245 Manual for Utah Cities.

246 (3) (a) The governing body shall adopt and administer an operating and capital budget
247 in accordance with this Subsection (3).

248 (b) A governing body may spend or transfer money deposited in an enterprise fund for
249 a good, service, project, venture, or other purpose that is not directly related to the goods or
250 services provided by the enterprise for which the enterprise fund was created, if the governing
251 body:

252 (i) transfers the money from the enterprise fund to another fund; and

253 (ii) complies with the hearing and notice requirements of Subsections (3)(f)(i), (ii), and

254 (iii).

255 ~~[(b)]~~ (c) At or before the first regularly scheduled meeting of the governing body in the
256 last May of the current fiscal period, the budget officer shall:

257 (i) prepare for the ensuing fiscal period and file with the governing body a tentative
258 operating and capital budget for:

259 (A) each enterprise fund; and

260 (B) other required special funds;

261 (ii) include with the tentative operating and capital budget described in Subsection
262 (3)~~[(b)]~~(d)(i) specific work programs as submitted by each department head; and

263 (iii) include any other supporting data required by the governing body.

264 ~~[(c)]~~ (d) Each city of the first or second class shall, and each city of the third, fourth, or
265 fifth class may, submit a supplementary estimate of all capital projects which a department
266 head believes should be undertaken within the three next succeeding fiscal periods.

267 ~~[(d)]~~ (e) (i) Subject to Subsection (3)~~[(d)]~~(e)(ii), the budget officer shall prepare all
268 estimates after review and consultation with each department head described in Subsection
269 (3)~~[(e)]~~(d).

270 (ii) After complying with Subsection (3)~~[(d)]~~(e)(i), the budget officer may revise any
271 departmental estimate before it is filed with the governing body.

272 ~~[(e) (i) Except as provided in Subsection (3)(e)(iv), if]~~

273 (f) (i) Except as provided in Subsection (3)(f)(iv), if the governing body includes in a
274 tentative budget or an amendment to a budget allocations or transfers from [a utility] an
275 enterprise fund to another fund [that are not] or a good, service, project, venture, or purpose
276 other than reasonable allocations of costs between the [utility] enterprise fund and the other
277 fund, the governing body shall:

278 (A) hold a public hearing;

279 (B) prepare a written notice of the date, time, place, and purpose of the hearing, as
280 described in Subsection (3)~~[(e)]~~(f)(ii); and

281 (C) subject to Subsection (3)~~[(e)]~~(f)(iii), mail the written notice to each [utility]

282 enterprise fund customer at least seven days before the day of the hearing.

283 (ii) The purpose portion of the written notice required under Subsection

284 (3)~~(e)~~(f)(i)(B) shall identify:

285 (A) the [utility] enterprise fund from which money is being transferred;

286 (B) the amount being transferred; and

287 (C) the fund to which the money is being transferred.

288 (iii) The governing body:

289 (A) may print the written notice required under Subsection (3)~~(e)~~(f)(i) on the [utility]
290 enterprise fund customer's bill; and

291 (B) shall include the written notice required under Subsection (3)~~(e)~~(f)(i) as a
292 separate notification mailed or transmitted with the [utility] enterprise fund customer's bill.

293 ~~[(iv) The notice and hearing requirements in this Subsection (3)(e) are not required for
294 an allocation or a transfer included in an original budget or in a subsequent budget amendment
295 previously approved by the governing body for the current fiscal year.]~~

296 (iv) A governing body is not required to repeat the notice and hearing requirements in
297 this Subsection (3)(f) if the funds to be allocated or transferred for the current year were
298 previously approved by the governing body during the current year and at a public hearing that
299 complies with the notice and hearing requirements of this Subsection (3)(f).

300 (4) (a) Each tentative budget, amendment to a budget, or budget shall be reviewed and
301 considered by the governing body at any regular meeting or special meeting called for that
302 purpose.

303 (b) The governing body may make changes in the tentative budgets.

304 (5) Budgets for enterprise or other required special funds shall comply with the public
305 hearing requirements established in Sections 10-6-113 and 10-6-114.

306 (6) (a) Before the last June 30 of each fiscal period, or, in the case of a property tax
307 increase under Sections 59-2-919 through 59-2-923, before August 31 of the year for which a
308 property tax increase is proposed, the governing body shall adopt an operating and capital
309 budget for each applicable fund for the ensuing fiscal period.

310 (b) A copy of the budget as finally adopted for each fund shall be:
311 (i) certified by the budget officer;
312 (ii) filed by the budget officer in the office of the city auditor or city recorder;
313 (iii) available to the public during regular business hours; and
314 (iv) filed with the state auditor within 30 days after the day on which the budget is
315 adopted.

316 (7) (a) Upon final adoption, the operating and capital budget is in effect for the budget
317 period, subject to later amendment.

318 (b) During the budget period the governing body may, in any regular meeting or special
319 meeting called for that purpose, review any one or more of the operating and capital budgets
320 for the purpose of determining if the total of any of them should be increased.

321 (c) If the governing body decides that the budget total of one or more of the funds
322 should be increased under Subsection (7)(b), the governing body shall follow the procedures
323 set forth in Section 10-6-136.

324 (8) Expenditures from operating and capital budgets shall conform to the requirements
325 relating to budgets specified in Sections 10-6-121 through 10-6-126.

326 Section 5. Section 17B-1-103 is amended to read:

327 **17B-1-103. Local district status and powers.**

328 (1) A local district:

329 (a) is:

330 (i) a body corporate and politic with perpetual succession;

331 (ii) a quasi-municipal corporation; and

332 (iii) a political subdivision of the state; and

333 (b) may sue and be sued.

334 (2) A local district may:

335 (a) acquire, by any lawful means, or lease any real property, personal property, or a
336 groundwater right necessary or convenient to the full exercise of the district's powers;

337 (b) acquire, by any lawful means, any interest in real property, personal property, or a

338 groundwater right necessary or convenient to the full exercise of the district's powers;

339 (c) transfer an interest in or dispose of any property or interest described in Subsections
340 (2)(a) and (b);

341 (d) acquire or construct works, facilities, and improvements necessary or convenient to
342 the full exercise of the district's powers, and operate, control, maintain, and use those works,
343 facilities, and improvements;

344 (e) borrow money and incur indebtedness for any lawful district purpose;

345 (f) issue bonds, including refunding bonds:

346 (i) for any lawful district purpose; and

347 (ii) as provided in and subject to Part 11, Local District Bonds;

348 (g) levy and collect property taxes:

349 (i) for any lawful district purpose or expenditure, including to cover a deficit resulting
350 from tax delinquencies in a preceding year; and

351 (ii) as provided in and subject to Part 10, Local District Property Tax Levy;

352 (h) as provided in Title 78B, Chapter 6, Part 5, Eminent Domain, acquire by eminent
353 domain property necessary to the exercise of the district's powers;

354 (i) invest money as provided in Title 51, Chapter 7, State Money Management Act;

355 (j) (i) impose fees or other charges for commodities, services, or facilities provided by
356 the district, to pay some or all of the district's costs of providing the commodities, services, and
357 facilities, including the costs of:

358 (A) maintaining and operating the district;

359 (B) acquiring, purchasing, constructing, improving, or enlarging district facilities;

360 (C) issuing bonds and paying debt service on district bonds; and

361 (D) providing a reserve established by the board of trustees; and

362 (ii) take action the board of trustees considers appropriate and adopt regulations to
363 assure the collection of all fees and charges that the district imposes;

364 (k) if applicable, charge and collect a fee to pay for the cost of connecting a customer's
365 property to district facilities in order for the district to provide service to the property;

- 366 (l) enter into a contract that the local district board of trustees considers necessary,
367 convenient, or desirable to carry out the district's purposes, including a contract:
- 368 (i) with the United States or any department or agency of the United States;
 - 369 (ii) to indemnify and save harmless; or
 - 370 (iii) to do any act to exercise district powers;
 - 371 (m) purchase supplies, equipment, and materials;
 - 372 (n) encumber district property upon terms and conditions that the board of trustees
373 considers appropriate;
 - 374 (o) exercise other powers and perform other functions that are provided by law;
 - 375 (p) construct and maintain works and establish and maintain facilities, including works
376 or facilities:
 - 377 (i) across or along any public street or highway, subject to Subsection (3) and if the
378 district:
 - 379 (A) promptly restores the street or highway, as much as practicable, to its former state
380 of usefulness; and
 - 381 (B) does not use the street or highway in a manner that completely or unnecessarily
382 impairs the usefulness of it;
 - 383 (ii) in, upon, or over any vacant public lands that are or become the property of the
384 state, including school and institutional trust lands, as defined in Section 53C-1-103, if the
385 director of the School and Institutional Trust Lands Administration, acting under Sections
386 53C-1-102 and 53C-1-303, consents; or
 - 387 (iii) across any stream of water or watercourse, subject to Section 73-3-29; - 388 (q) perform any act or exercise any power reasonably necessary for the efficient
389 operation of the local district in carrying out its purposes;
 - 390 (r) (i) except for a local district described in Subsection (2)(r)(ii), designate an
391 assessment area and levy an assessment on land within the assessment area, as provided in
392 Title 11, Chapter 42, Assessment Area Act; or
 - 393 (ii) for a local district created to assess a groundwater right in a critical management

394 area described in Subsection 17B-1-202(1), designate an assessment area and levy an
395 assessment, as provided in Title 11, Chapter 42, Assessment Area Act, on a groundwater right
396 to facilitate a groundwater management plan;

397 (s) contract with another political subdivision of the state to allow the other political
398 subdivision to use the district's surplus water or capacity or have an ownership interest in the
399 district's works or facilities, upon the terms and for the consideration, whether monetary or
400 nonmonetary consideration or no consideration, that the district's board of trustees considers to
401 be in the best interests of the district and the public; ~~and~~

402 (t) upon the terms and for the consideration, whether monetary or nonmonetary
403 consideration or no consideration, that the district's board of trustees considers to be in the best
404 interests of the district and the public, agree:

405 (i) with:

406 (A) another political subdivision of the state; or

407 (B) a public or private owner of property:

408 (I) on which the district has a right-of-way; or

409 (II) adjacent to which the district owns fee title to property; and

410 (ii) to allow the use of property:

411 (A) owned by the district; or

412 (B) on which the district has a right-of-way~~[-]~~; and

413 (u) if the local district receives, as determined by the local district board of trustees,
414 adequate monetary or nonmonetary consideration in return:

415 (i) provide services or nonmonetary assistance to a nonprofit entity;

416 (ii) waive fees required to be paid by a nonprofit entity; or

417 (iii) provide monetary assistance to a nonprofit entity, whether from the local district's
418 own funds or from funds the local district receives from the state or any other source.

419 (3) With respect to a local district's use of a street or highway, as provided in
420 Subsection (2)(p)(i):

421 (a) the district shall comply with the reasonable rules and regulations of the

422 governmental entity, whether state, county, or municipal, with jurisdiction over the street or
423 highway, concerning:

- 424 (i) an excavation and the refilling of an excavation;
- 425 (ii) the relaying of pavement; and
- 426 (iii) the protection of the public during a construction period; and

427 (b) the governmental entity, whether state, county, or municipal, with jurisdiction over
428 the street or highway:

- 429 (i) may not require the district to pay a license or permit fee or file a bond; and
- 430 (ii) may require the district to pay a reasonable inspection fee.

431 (4) (a) A local district may:

432 (i) acquire, lease, or construct and operate electrical generation, transmission, and
433 distribution facilities, if:

434 (A) the purpose of the facilities is to harness energy that results inherently from the
435 district's:

- 436 (I) operation of a project or facilities that the district is authorized to operate; or
- 437 (II) providing a service that the district is authorized to provide;

438 (B) the generation of electricity from the facilities is incidental to the primary
439 operations of the district; and

440 (C) operation of the facilities will not hinder or interfere with the primary operations of
441 the district;

442 (ii) (A) use electricity generated by the facilities; or

443 (B) subject to Subsection (4)(b), sell electricity generated by the facilities to an electric
444 utility or municipality with an existing system for distributing electricity.

445 (b) A district may not act as a retail distributor or seller of electricity.

446 (c) Revenue that a district receives from the sale of electricity from electrical
447 generation facilities it owns or operates under this section may be used for any lawful district
448 purpose, including the payment of bonds issued to pay some or all of the cost of acquiring or
449 constructing the facilities.

450 (5) A local district may adopt and, after adoption, alter a corporate seal.

451 (6) (a) As used in this Subsection (6), "knife" means a cutting instrument that includes
452 a sharpened or pointed blade.

453 (b) The authority to regulate a knife is reserved to the state except where the
454 Legislature specifically delegates responsibility to a local district.

455 (c) Unless specifically authorized by the Legislature by statute, a local district may not
456 adopt or enforce a regulation or rule pertaining to a knife.

457 Section 6. Section **17B-1-202** is amended to read:

458 **17B-1-202. Local district may be created -- Services that may be provided --**
459 **Limitations.**

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

462 (i) the operation of an airport;

463 (ii) the operation of a cemetery;

464 (iii) fire protection, paramedic, and emergency services, including consolidated 911
465 and emergency dispatch services;

466 (iv) garbage collection and disposal;

467 (v) health care, including health department or hospital service;

468 (vi) the operation of a library;

469 (vii) abatement or control of mosquitos and other insects;

470 (viii) the operation of parks or recreation facilities or services;

471 (ix) the operation of a sewage system;

472 (x) the construction and maintenance of a right-of-way, including:

473 (A) a curb;

474 (B) a gutter;

475 (C) a sidewalk;

476 (D) a street;

477 (E) a road;

- 478 (F) a water line;
- 479 (G) a sewage line;
- 480 (H) a storm drain;
- 481 (I) an electricity line;
- 482 (J) a communications line;
- 483 (K) a natural gas line; or
- 484 (L) street lighting;
- 485 (xi) transportation, including public transit and providing streets and roads;
- 486 (xii) the operation of a system, or one or more components of a system, for the
- 487 collection, storage, retention, control, conservation, treatment, supplying, distribution, or
- 488 reclamation of water, including storm, flood, sewage, irrigation, and culinary water, whether
- 489 the system is operated on a wholesale or retail level or both;
- 490 (xiii) in accordance with Subsection (1)(c), the acquisition or assessment of a
- 491 groundwater right for the development and execution of a groundwater management plan in
- 492 cooperation with and approved by the state engineer in accordance with Section [73-5-15](#);
- 493 (xiv) law enforcement service;
- 494 (xv) subject to Subsection (1)(b), the underground installation of an electric utility line
- 495 or the conversion to underground of an existing electric utility line;
- 496 (xvi) the control or abatement of earth movement or a landslide;
- 497 (xvii) the operation of animal control services and facilities; or
- 498 (xviii) an energy efficiency upgrade or a renewable energy system, as defined in
- 499 Section [11-42-102](#), in accordance with Title 11, Chapter 42, Assessment Area Act.
- 500 (b) Each local district that provides the service of the underground installation of an
- 501 electric utility line or the conversion to underground of an existing electric utility line shall, in
- 502 installing or converting the line, provide advance notice to and coordinate with the utility that
- 503 owns the line.
- 504 (c) A groundwater management plan described in Subsection (1)(a)(xiii) may include
- 505 the banking of groundwater rights by a local district in a critical management area as defined in

506 Section 73-5-15 following the adoption of a groundwater management plan by the state
507 engineer under Section 73-5-15.

508 (i) A local district may manage the groundwater rights it acquires under Subsection
509 17B-1-103(2)(a) or (b) consistent with the provisions of a groundwater management plan
510 described in this Subsection (1)(c).

511 (ii) A groundwater right held by a local district to satisfy the provisions of a
512 groundwater management plan is not subject to the forfeiture provisions of Section 73-1-4.

513 (iii) (A) A local district may divest itself of a groundwater right subject to a
514 determination that the groundwater right is not required to facilitate the groundwater
515 management plan described in this Subsection (1)(c).

516 (B) The groundwater right described in Subsection (1)(c)(iii)(A) is subject to Section
517 73-1-4 beginning on the date of divestiture.

518 (iv) Upon a determination by the state engineer that an area is no longer a critical
519 management area as defined in Section 73-5-15, a groundwater right held by the local district is
520 subject to Section 73-1-4.

521 (v) A local district created in accordance with Subsection (1)(a)(xiii) to develop and
522 execute a groundwater management plan may hold or acquire a right to surface waters that are
523 naturally tributary to the groundwater basin subject to the groundwater management plan if the
524 surface waters are appropriated in accordance with Title 73, Water and Irrigation, and used in
525 accordance with Title 73, Chapter 3b, Groundwater Recharge and Recovery Act.

526 (2) For purposes of this section:

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

531 (b) "System" means the aggregate of interrelated components that combine together to
532 provide the indicated service including, for a sewage system, collection and treatment.

533 (3) (a) A local district may not be created to provide and may not after its creation

534 provide more than four of the services listed in Subsection (1).

535 (b) Subsection (3)(a) may not be construed to prohibit a local district from providing
536 more than four services if, before April 30, 2007, the local district was authorized to provide
537 those services.

538 (4) (a) Except as provided in Subsection (4)(b), a local district may not be created to
539 provide and may not after its creation provide to an area the same service that may already
540 [~~being~~] be provided to that area by another political subdivision, unless the other political
541 subdivision gives its written consent.

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

- 545 (i) sewage system; or
- 546 (ii) water system.

547 (5) (a) Except for a local district in the creation of which an election is not required
548 under Subsection 17B-1-214(3)(d), the area of a local district may include all or part of the
549 unincorporated area of one or more counties and all or part of one or more municipalities.

550 (b) The area of a local district need not be contiguous.

551 (6) For a local district created before May 5, 2008, the authority to provide fire
552 protection service also includes the authority to provide:

- 553 (a) paramedic service; and
- 554 (b) emergency service, including hazardous materials response service.

555 (7) A local district created before May 11, 2010, authorized to provide the construction
556 and maintenance of curb, gutter, or sidewalk may provide a service described in Subsection
557 (1)(a)(x) on or after May 11, 2010.

558 (8) A local district created before May 10, 2011, authorized to provide culinary,
559 irrigation, sewage, or storm water services may provide a service described in Subsection
560 (1)(a)(xii) on or after May 10, 2011.

561 (9) A local district may not be created under this chapter for two years after the date on

562 which a local district is dissolved as provided in Section 17B-1-217 if the local district
563 proposed for creation:

564 (a) provides the same or a substantially similar service as the dissolved local district;
565 and

566 (b) is located in substantially the same area as the dissolved local district.

567 Section 7. Section 17B-1-303 is amended to read:

568 **17B-1-303. Term of board of trustees members -- Oath of office -- Bond.**

569 (1) (a) Except as provided in Subsections (1)(b) and (c), the term of each member of a
570 board of trustees shall begin at noon on the January 1 following the member's election or
571 appointment.

572 (b) The term of each member of the initial board of trustees of a newly created local
573 district shall begin:

574 (i) upon appointment, for an appointed member; and

575 (ii) upon the member taking the oath of office after the canvass of the election at which
576 the member is elected, for an elected member.

577 (c) The term of each water conservancy district board member appointed by the
578 governor as provided in Subsection 17B-2a-1005(2)(c) shall ~~[begin on the date on which the~~
579 ~~senate consents to the appointment.]:~~

580 (i) begin on the later of the following:

581 (A) the date on which the Senate consents to the appointment; or

582 (B) the expiration date of the prior term; and

583 (ii) end on the February 1 that is approximately four years after the date described in
584 Subsection (1)(c)(i)(A) or (B).

585 (2) (a) (i) Subject to Subsection (2)(a)(ii), the term of each member of a board of
586 trustees shall be four years, except that approximately half the members of the initial board of
587 trustees, chosen by lot, shall serve a two-year term so that the term of approximately half the
588 board members expires every two years.

589 (ii) (A) If the terms of members of the initial board of trustees of a newly created local

590 district do not begin on January 1 because of application of Subsection (1)(b), the terms of
591 those members shall be adjusted as necessary, subject to Subsection (2)(a)(ii)(B), to result in
592 the terms of their successors complying with:

593 (I) the requirement under Subsection (1)(a) for a term to begin on January 1 following
594 a member's election or appointment; and

595 (II) the requirement under Subsection (2)(a)(i) that terms be four years.

596 (B) An adjustment under Subsection (2)(a)(ii)(A) may not add more than a year to or
597 subtract more than a year from a member's term.

598 (b) Each board of trustees member shall serve until a successor is duly elected or
599 appointed and qualified, unless the member earlier is removed from office or resigns or
600 otherwise leaves office.

601 (c) If a member of a board of trustees no longer meets the qualifications of Subsection
602 [17B-1-302](#)(1), or if the member's term expires without a duly elected or appointed successor:

603 (i) the member's position is considered vacant, subject to Subsection (2)(c)(ii); and

604 (ii) the member may continue to serve until a successor is duly elected or appointed
605 and qualified.

606 (3) (a) (i) Before entering upon the duties of office, each member of a board of trustees
607 shall take the oath of office specified in Utah Constitution Article IV, Section 10.

608 (ii) An oath of office may be administered by a judge, county clerk, notary public, or
609 the local district clerk.

610 (b) Each oath of office shall be filed with the clerk of the local district.

611 (c) The failure of a board of trustees member to take the oath required by Subsection
612 (3)(a) does not invalidate any official act of that member.

613 (4) A board of trustees member is not limited in the number of terms the member may
614 serve.

615 (5) Except as provided in Subsection (6), each midterm vacancy in a board of trustees
616 position shall be filled as provided in Section [20A-1-512](#).

617 (6) (a) For purposes of this Subsection (6):

618 (i) "Appointed official" means a person who:
619 (A) is appointed as a member of a local district board of trustees by a county or
620 municipality entitled to appoint a member to the board; and
621 (B) holds an elected position with the appointing county or municipality.
622 (ii) "Appointing entity" means the county or municipality that appointed the appointed
623 official to the board of trustees.
624 (b) The board of trustees shall declare a midterm vacancy for the board position held
625 by an appointed official if:
626 (i) during the appointed official's term on the board of trustees, the appointed official
627 ceases to hold the elected position with the appointing entity; and
628 (ii) the appointing entity submits a written request to the board to declare the vacancy.
629 (c) Upon the board's declaring a midterm vacancy under Subsection (6)(b), the
630 appointing entity shall appoint another person to fill the remaining unexpired term on the board
631 of trustees.
632 (7) (a) Each member of a board of trustees shall give a bond for the faithful
633 performance of the member's duties, in the amount and with the sureties prescribed by the
634 board of trustees.
635 (b) The local district shall pay the cost of each bond required under Subsection (7)(a).
636 Section 8. Section **17B-1-304** is amended to read:
637 **17B-1-304. Appointment procedures for appointed members.**
638 (1) The appointing authority may, by resolution, appoint persons to serve as members
639 of a local district board by following the procedures established by this section.
640 (2) (a) In any calendar year when appointment of a new local district board member is
641 required, the appointing authority shall prepare a notice of vacancy that contains:
642 (i) the positions that are vacant that shall be filled by appointment;
643 (ii) the qualifications required to be appointed to those positions;
644 (iii) the procedures for appointment that the governing body will follow in making
645 those appointments; and

646 (iv) the person to be contacted and any deadlines that a person shall meet who wishes
647 to be considered for appointment to those positions.

648 (b) The appointing authority shall:

649 (i) post the notice of vacancy in four public places within the local district at least one
650 month before the deadline for accepting nominees for appointment; and

651 (ii) (A) publish the notice of vacancy:

652 (I) in a daily newspaper of general circulation within the local district for five
653 consecutive days before the deadline for accepting nominees for appointment; or

654 (II) in a local weekly newspaper circulated within the local district in the week before
655 the deadline for accepting nominees for appointment; and

656 (B) in accordance with Section 45-1-101 for five days before the deadline for accepting
657 nominees for appointment.

658 (c) The appointing authority may bill the local district for the cost of preparing,
659 printing, and publishing the notice.

660 (3) (a) Not sooner than two months after the appointing authority is notified of the
661 vacancy, the appointing authority shall select a person to fill the vacancy from the applicants
662 who meet the qualifications established by law.

663 (b) The appointing authority shall:

664 (i) comply with Title 52, Chapter 4, Open and Public Meetings Act, in making the
665 appointment;

666 (ii) allow any interested persons to be heard; and

667 (iii) adopt a resolution appointing a person to the local district board.

668 (c) If no candidate for appointment to fill the vacancy receives a majority vote of the
669 appointing authority, the appointing authority shall select the appointee from the two top
670 candidates by lot.

671 (4) Persons appointed to serve as members of the local district board serve four-year
672 terms, but may be removed for cause at any time after a hearing by two-thirds vote of the
673 appointing body.

674 (5) (a) At the end of each board member's term, the position is considered vacant and
 675 the appointing authority may either reappoint the old board member or appoint a new member
 676 after following the appointment procedures established in this section.

677 (b) Notwithstanding Subsection (5)(a), a board member may continue to serve until a
 678 successor is duly elected or appointed and qualified in accordance with Subsection
 679 17B-1-303(2)(b).

680 (6) Notwithstanding any other provision of this section, if the appointing authority
 681 appoints one of its own members~~[, it]~~ and that member meets all applicable statutory board
 682 member qualifications, the appointing authority need not comply with Subsection (2) or (3).

683 Section 9. Section **17B-1-306** is amended to read:

684 **17B-1-306. Local district board -- Election procedures.**

685 (1) Except as provided in Subsection (11), each elected board member shall be selected
 686 as provided in this section.

687 (2) (a) Each election of a local district board member shall be held:

688 (i) at the same time as the municipal general election; and

689 (ii) at polling places designated by the ~~[county clerk]~~ local district board in
 690 consultation with the ~~[local district]~~ county clerk for each county in which the local district is
 691 located, which polling places shall coincide with municipal general election polling places
 692 whenever feasible.

693 (b) The local district board, in consultation with the county clerk, may consolidate two
 694 or more polling places to enable voters from more than one district to vote at one consolidated
 695 polling place.

696 (c) (i) Subject to Subsections (4)(f) and (g), the number of polling places under
 697 Subsection (2)(a)(ii) in an election of board members of an irrigation district shall be one
 698 polling place per division of the district, designated by the district board.

699 (ii) Each polling place designated by an irrigation district board under Subsection
 700 (2)(c)(i) shall coincide with a polling place designated by the county clerk under Subsection
 701 (2)(a)(ii).

702 (3) (a) The clerk of each local district with a board member position to be filled at the
703 next municipal general election shall provide notice of:

704 (i) each elective position of the local district to be filled at the next municipal general
705 election;

706 (ii) the constitutional and statutory qualifications for each position; and

707 (iii) the dates and times for filing a declaration of candidacy.

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

709 (i) posted in at least five public places within the local district at least 10 days before
710 the first day for filing a declaration of candidacy; or

711 (ii) (A) published in a newspaper of general circulation within the local district at least
712 three but no more than 10 days before the first day for filing a declaration of candidacy; and

713 (B) published, in accordance with Section [45-1-101](#), for 10 days before the first day for
714 filing a declaration of candidacy.

715 (4) (a) To become a candidate for an elective local district board position, the
716 prospective candidate shall file a declaration of candidacy in person with the local district,
717 during office hours and not later than the close of normal office hours between June 1 and June
718 7 of any odd-numbered year.

719 (b) When June 7 is a Saturday, Sunday, or holiday, the filing time shall be extended
720 until the close of normal office hours on the following regular business day.

721 (c) (i) Before the filing officer may accept any declaration of candidacy, the filing
722 officer shall:

723 (A) read to the prospective candidate the constitutional and statutory qualification
724 requirements for the office that the candidate is seeking; and

725 (B) require the candidate to state whether or not the candidate meets those
726 requirements.

727 (ii) If the prospective candidate does not meet the qualification requirements for the
728 office, the filing officer may not accept the declaration of candidacy.

729 (iii) If it appears that the prospective candidate meets the requirements of candidacy,

730 the filing officer shall accept the declaration of candidacy.

731 (d) The declaration of candidacy shall substantially comply with the following form:

732 "I, (print name) _____, being first duly sworn, say that I reside at (Street)
733 _____, City of _____, County of _____, State of Utah,
734 (Zip Code) _____, (Telephone Number, if any) _____; that I meet the qualifications
735 for the office of board of trustees member for _____ (state the name of
736 the local district); that I am a candidate for that office to be voted upon at the next election, and
737 I hereby request that my name be printed upon the official ballot for that election.

738 (Signed) _____

739 Subscribed and sworn to (or affirmed) before me by _____ on this _____ day
740 of _____, _____.

741 (Signed) _____

742 (Clerk or Notary Public)"

743 (e) Each person wishing to become a valid write-in candidate for an elective local
744 district board position is governed by Section 20A-9-601.

745 (f) If at least one person does not file a declaration of candidacy as required by this
746 section, a person shall be appointed to fill that board position by following the procedures and
747 requirements for appointment established in Section 20A-1-512.

748 (g) If only one candidate files a declaration of candidacy and there is no write-in
749 candidate who complies with Section 20A-9-601, the board, in accordance with Section
750 20A-1-206, may:

751 (i) consider the candidate to be elected to the position; and

752 (ii) cancel the election.

753 (5) (a) A primary election may be held if:

754 (i) the election is authorized by the local district board; and

755 (ii) the number of candidates for a particular local board position or office exceeds
756 twice the number of persons needed to fill that position or office.

757 (b) The primary election shall be conducted:

758 (i) on the same date as the municipal primary election, as provided for in Section
759 20A-1-201.5; and

760 (ii) according to the procedures for municipal primary elections provided under Title
761 20A, Election Code.

762 (6) (a) Except as provided in Subsection (6)(c), the local district clerk shall certify the
763 candidate names to the clerk of each county in which the local district is located no later than
764 June 12 of the municipal election year.

765 (b) (i) Except as provided in Subsection (6)(c) and in accordance with Section
766 20A-6-305, the clerk of each county in which the local district is located and the local district
767 clerk shall coordinate the placement of the name of each candidate for local district office in
768 the nonpartisan section of the municipal general election ballot with the municipal election
769 clerk.

770 (ii) If consolidation of the local district election ballot with the municipal general
771 election ballot is not feasible, the local district board of trustees, in consultation with the county
772 clerk, shall provide for a separate local district election ballot to be administered by poll
773 workers at polling locations designated under Subsection (2).

774 (c) (i) Subsections (6)(a) and (b) do not apply to an election of a member of the board
775 of an irrigation district established under Chapter 2a, Part 5, Irrigation District Act.

776 (ii) (A) Subject to Subsection (6)(c)(ii)(B), the board of each irrigation district shall
777 prescribe the form of the ballot for each board member election.

778 (B) Each ballot for an election of an irrigation district board member shall be in a
779 nonpartisan format.

780 (C) The name of each candidate shall be placed on the ballot in the order specified
781 under Section 20A-6-305.

782 (7) (a) Each voter at an election for a board of trustees member of a local district shall:

783 (i) be a registered voter within the district, except for an election of:

784 (A) an irrigation district board of trustees member; or

785 (B) a basic local district board of trustees member who is elected by property owners;

786 and

787 (ii) meet the requirements to vote established by the district.

788 (b) Each voter may vote for as many candidates as there are offices to be filled.

789 (c) The candidates who receive the highest number of votes are elected.

790 (8) Except as otherwise provided by this section, the election of local district board
791 members is governed by Title 20A, Election Code.

792 (9) (a) A person elected to serve on a local district board shall serve a four-year term,
793 beginning at noon on the January 1 after the person's election.

794 (b) A person elected shall be sworn in as soon as practical after January 1.

795 (10) (a) Except as provided in Subsection (10)(b), each local district shall reimburse
796 the county or municipality holding an election under this section for the costs of the election
797 attributable to that local district.

798 (b) Each irrigation district shall bear its own costs of each election it holds under this
799 section.

800 (11) This section does not apply to an improvement district that provides electric or gas
801 service.

802 (12) Except as provided in Subsection [20A-3-605\(1\)\(b\)](#), the provisions of Title 20A,
803 Chapter 3, Part 6, Early Voting, do not apply to an election under this section.

804 Section 10. Section **17B-1-306.5** is amended to read:

805 **17B-1-306.5. Dividing a local district into divisions.**

806 (1) Subject to Subsection [~~(2)~~] (3), the board of trustees of a local district that has
807 elected board members may, upon a vote of two-thirds of the members of the board, divide the
808 local district, or the portion of the local district represented by elected board of trustees
809 members, into divisions so that some or all of the elected members of the board of trustees may
810 be elected by division rather than at large.

811 (2) Subject to Subsection (3), the appointing authority of a local district that has
812 appointed board members may, upon a vote of two-thirds of the members of the appointing
813 authority, divide the local district, or the portion of the local district represented by appointed

814 board members, into divisions so that some or all of the appointed members of the board of
815 trustees may be appointed by division rather than at large.

816 [~~2~~] (3) Before dividing a local district into divisions [~~under Subsection (1)~~] or before
817 changing the boundaries of divisions already established, the board of trustees under
818 Subsection (1), or the appointing authority, under Subsection (2), shall:

819 (a) prepare a proposal that describes the boundaries of the proposed divisions; and

820 (b) hold a public hearing at which any interested person may appear and speak for or
821 against the proposal.

822 [~~3~~] (4) (a) The board of trustees or the appointing authority shall review the division
823 boundaries at least every 10 years.

824 (b) Except for changes in the divisions necessitated by annexations to or withdrawals
825 from the local district, the boundaries of divisions established under Subsection (1) or (2) may
826 not be changed more often than every five years.

827 (c) Changes to the boundaries of divisions already established under Subsection (1) or
828 (2) are not subject to the two-thirds vote requirement of Subsection (1) or (2).

829 Section 11. Section **17B-1-511** is amended to read:

830 **17B-1-511. Continuation of tax levy after withdrawal to pay for proportionate**
831 **share of district bonds.**

832 (1) Other than as provided in Subsection (2), and unless an escrow trust fund is
833 established and funded pursuant to Subsection **17B-1-510(5)(j)**, property within the withdrawn
834 area shall continue after withdrawal to be taxable by the local district:

835 (a) for the purpose of paying the withdrawn area's just proportion of the local district's
836 general obligation bonds or lease obligations payable from property taxes with respect to lease
837 revenue bonds issued by a local building authority on behalf of the local district, other than
838 those bonds treated as revenue bonds under Subsection **17B-1-510(5)(i)**, until the bonded
839 indebtedness has been satisfied; and

840 (b) to the extent and for the years necessary to generate sufficient revenue that, when
841 combined with the revenues from the district remaining after withdrawal, is sufficient to

842 provide for the payment of principal and interest on the district's general obligation bonds that
843 are treated as revenue bonds under Subsection 17B-1-510(5)(i).

844 (2) For a local district funded predominately by revenues other than property taxes,
845 service charges, or assessments based upon an allotment of acre-feet of water, property within
846 the withdrawn area shall continue to be taxable by the local district for purposes of paying the
847 withdrawn area's proportionate share of bonded indebtedness or judgments against the local
848 district incurred prior to the date the petition was filed.

849 (3) Except as provided in Subsections (1) and (2), upon withdrawal, the withdrawing
850 area is relieved of all other taxes, assessments, and charges levied by the district, including
851 taxes and charges for the payment of revenue bonds and maintenance and operation cost of the
852 local district.

853 Section 12. Section 17B-1-609 is amended to read:

854 **17B-1-609. Hearing to consider adoption -- Notice.**

855 (1) At the meeting at which the tentative budget is adopted, the board of trustees shall:

856 (a) establish the time and place of a public hearing to consider its adoption; and

857 (b) except as provided in Subsection (5), order that notice of the hearing:

858 (i) (A) be published at least seven days before the hearing in at least one issue of a
859 newspaper of general circulation published in the county or counties in which the district is
860 located; or

861 (B) if no newspaper is published, be posted in three public places within the district;
862 and

863 (ii) be published at least seven days before the hearing on the Utah Public Notice
864 Website created in Section 63F-1-701.

865 (2) If the budget hearing is held in conjunction with a tax increase hearing, the notice
866 required in Subsection (1)(b):

867 (a) may be combined with the notice required under Section 59-2-919; and

868 (b) shall be published in accordance with the advertisement provisions of Section
869 59-2-919.

870 (3) Proof that notice was given in accordance with Subsection (1)(b) [or] (2), or (5) is
871 prima face evidence that notice was properly given.

872 (4) If a notice required under Subsection (1)(b) [or] (2), or (5) is not challenged within
873 30 days after the day on which the hearing is held, the notice is adequate and proper.

874 (5) A board of trustees of a local district with an annual operating budget of less than
875 \$250,000 may satisfy the notice requirements in Subsection (1)(b) by:

876 (a) mailing a written notice, postage prepaid, to each voter in the local district or
877 special service district; and

878 (b) posting the notice in three public places within the district.

879 Section 13. Section **17B-1-641** is amended to read:

880 **17B-1-641. Local district may expand uniform procedures -- Limitation.**

881 (1) Subject to Subsection (2), a local district may expand the uniform accounting,
882 budgeting, and reporting procedure prescribed in the Uniform Accounting Manual for Local
883 Districts prepared by the state auditor under Subsection ~~67-3-1(13)~~(14), to better serve the
884 needs of the district.

885 (2) A local district may not deviate from or alter the basic prescribed classification
886 systems for the identity of funds and accounts set forth in the Uniform Accounting Manual for
887 Local Districts.

888 Section 14. Section **17B-1-901** is amended to read:

889 **17B-1-901. Providing and billing for multiple commodities, services, or facilities**
890 **-- Suspending service to a delinquent customer.**

891 (1) If a local district provides more than one commodity, service, or facility, the district
892 may bill for the fees and charges for all commodities, services, and facilities in a single bill.

893 (2) [A] Regardless of the number of commodities, services, or facilities furnished by a
894 local district, the local district may suspend furnishing [a] any commodity, service, or facility to
895 a customer if the customer fails to pay all fees and charges when due.

896 Section 15. Section **17B-2a-404** is amended to read:

897 **17B-2a-404. Improvement district board of trustees.**

898 (1) As used in this section:

899 (a) "County district" means an improvement district that does not include within its
900 boundaries any territory of a municipality.

901 (b) "County member" means a member of a board of trustees of a county district.

902 (c) "Electric district" means an improvement district that was created for the purpose of
903 providing electric service.

904 (d) "Included municipality" means a municipality whose boundaries are entirely
905 contained within but do not coincide with the boundaries of an improvement district.

906 (e) "Municipal district" means an improvement district whose boundaries coincide
907 with the boundaries of a single municipality.

908 (f) "Regular district" means an improvement district that is not a county district,
909 electric district, or municipal district.

910 (g) "Remaining area" means the area of a regular district that:

911 (i) is outside the boundaries of an included municipality; and

912 (ii) includes the area of an included municipality whose legislative body elects, under
913 Subsection (4)(a)(ii), not to appoint a member to the board of trustees of the regular district.

914 (h) "Remaining area member" means a member of a board of trustees of a regular
915 district who is appointed, or, if applicable, elected to represent the remaining area of the
916 district.

917 (2) The legislative body of the municipality included within a municipal district may:

918 (a) elect, at the time of the creation of the district, to be the board of trustees of the
919 district; and

920 (b) adopt at any time a resolution providing for:

921 (i) the election of board of trustees members, as provided in Section [17B-1-306](#); or

922 (ii) the appointment of board of trustees members, as provided in Section [17B-1-304](#).

923 (3) The legislative body of a county whose unincorporated area is partly or completely
924 within a county district may:

925 (a) elect, at the time of the creation of the district, to be the board of trustees of the

926 district; and

927 (b) adopt at any time a resolution providing for:

928 (i) the election of board of trustees members, as provided in Section 17B-1-306; or

929 (ii) except as provided in Subsection (4), the appointment of board of trustees

930 members, as provided in Section 17B-1-304.

931 (4) Subject to Subsection (6)(d), the legislative body of a county may not adopt a

932 resolution providing for the appointment of board of trustees members as provided in

933 Subsection (3)(b)(ii) at any time after the county district is governed by an elected board of

934 trustees unless:

935 (a) the elected board has ceased to function;

936 (b) the terms of all of the elected board members have expired without the board

937 having called an election; or

938 (c) the elected board of trustees unanimously adopts a resolution approving the change

939 from an elected to an appointed board.

940 ~~[(4)]~~ (5) (a) (i) Except as provided in Subsection ~~[(4)]~~ (5)(a)(ii), the legislative body of

941 each included municipality shall each appoint one member to the board of trustees of a regular

942 district.

943 (ii) The legislative body of an included municipality may elect not to appoint a member

944 to the board under Subsection ~~[(4)]~~ (5)(a)(i).

945 (b) Except as provided in Subsection ~~[(5)]~~ (6), the legislative body of each county

946 whose boundaries include a remaining area shall appoint all other members to the board of

947 trustees of a regular district.

948 ~~[(5)]~~ (6) Notwithstanding Subsection (3), each remaining area member of a regular

949 district and each county member of a county district shall be elected, as provided in Section

950 17B-1-306, if:

951 (a) the petition or resolution initiating the creation of the district provides for remaining

952 area or county members to be elected;

953 (b) the district holds an election to approve the district's issuance of bonds;

954 (c) for a regular district, an included municipality elects, under Subsection [~~(4)~~]
955 (5)(a)(ii), not to appoint a member to the board of trustees; or

956 (d) (i) at least 90 days before the municipal general election, a petition is filed with the
957 district's board of trustees requesting remaining area members or county members, as the case
958 may be, to be elected; and

959 (ii) the petition is signed by registered voters within the remaining area or county
960 district, as the case may be, equal in number to at least 10% of the number of registered voters
961 within the remaining area or county district, respectively, who voted in the last gubernatorial
962 election.

963 [~~(6)~~] (7) Subject to Section [17B-1-302](#), the number of members of a board of trustees
964 of a regular district shall be:

965 (a) the number of included municipalities within the district, if:

966 (i) the number is an odd number; and

967 (ii) the district does not include a remaining area;

968 (b) the number of included municipalities plus one, if the number of included
969 municipalities within the district is even; and

970 (c) the number of included municipalities plus two, if:

971 (i) the number of included municipalities is odd; and

972 (ii) the district includes a remaining area.

973 [~~(7)~~] (8) (a) Except as provided in Subsection [~~(7)~~] (8)(b), each remaining area member
974 of the board of trustees of a regular district shall reside within the remaining area.

975 (b) Notwithstanding Subsection [~~(7)~~] (8)(a) and subject to Subsection [~~(7)~~] (8)(c), each
976 remaining area member shall be chosen from the district at large if:

977 (i) the population of the remaining area is less than 5% of the total district population;

978 or

979 (ii) (A) the population of the remaining area is less than 50% of the total district
980 population; and

981 (B) the majority of the members of the board of trustees are remaining area members.

982 (c) Application of Subsection ~~[(7)]~~ (8)(b) may not prematurely shorten the term of any
983 remaining area member serving the remaining area member's elected or appointed term on May
984 11, 2010.

985 ~~[(8)]~~ (9) If the election of remaining area or county members of the board of trustees is
986 required because of a bond election, as provided in Subsection ~~[(5)]~~ (9)(b):

987 (a) a person may file a declaration of candidacy if:

988 (i) the person resides within:

989 (A) the remaining area, for a regular district; or

990 (B) the county district, for a county district; and

991 (ii) otherwise qualifies as a candidate;

992 (b) the board of trustees shall, if required, provide a ballot separate from the bond
993 election ballot, containing the names of candidates and blanks in which a voter may write
994 additional names; and

995 (c) the election shall otherwise be governed by Title 20A, Election Code.

996 ~~[(9)]~~ (10) (a) (i) This Subsection ~~[(9)]~~ (10) applies to the board of trustees members of
997 an electric district.

998 (ii) Subsections (2) through ~~[(8)]~~ (9) do not apply to an electric district.

999 (b) The legislative body of the county in which an electric district is located may
1000 appoint the initial board of trustees of the electric district as provided in Section [17B-1-304](#).

1001 (c) After the initial board of trustees is appointed as provided in Subsection ~~[(9)]~~
1002 (10)(b), each member of the board of trustees of an electric district shall be elected by persons
1003 using electricity from and within the district.

1004 (d) Each member of the board of trustees of an electric district shall be a user of
1005 electricity from the district and, if applicable, the division of the district from which elected.

1006 (e) The board of trustees of an electric district may be elected from geographic
1007 divisions within the district.

1008 (f) A municipality within an electric district is not entitled to automatic representation
1009 on the board of trustees.

1010 Section 16. Section **17B-2a-703** is amended to read:

1011 **17B-2a-703. Additional mosquito abatement district powers.**

1012 In addition to the powers conferred on a mosquito abatement district under Section
1013 **17B-1-103**, a mosquito abatement district may:

1014 (1) take all necessary and proper steps for the extermination of mosquitos, flies,
1015 crickets, grasshoppers, and other insects:

1016 (a) within the district; or

1017 (b) outside the district, if lands inside the district are benefitted;

1018 (2) abate as nuisances all stagnant pools of water and other breeding places for
1019 mosquitos, flies, crickets, grasshoppers, or other insects anywhere inside or outside the state
1020 from which mosquitos migrate into the district;

1021 (3) enter upon territory referred to in Subsections (1) and (2) in order to inspect and
1022 examine the territory and to remove from the territory, without notice, stagnant water or other
1023 breeding places for mosquitos, flies, crickets, grasshoppers, or other insects;

1024 (4) issue bonds as provided in and subject to Chapter 1, Part 11, Local District Bonds,
1025 to carry out the purposes of the district;

1026 (5) make a contract to indemnify or compensate an owner of land or other property for
1027 injury or damage necessarily caused by the exercise of district powers or arising out of the use,
1028 taking, or damage of property for a district purpose; and

1029 (6) establish a reserve fund, not to exceed the greater of 25% of the district's annual
1030 operating budget [~~and~~] or \$50,000, to pay for extraordinary abatement measures, including a
1031 vector-borne public health emergency.

1032 Section 17. Section **17B-2a-804** is amended to read:

1033 **17B-2a-804. Additional public transit district powers.**

1034 (1) In addition to the powers conferred on a public transit district under Section
1035 **17B-1-103**, a public transit district may:

1036 (a) provide a public transit system for the transportation of passengers and their
1037 incidental baggage;

1038 (b) notwithstanding Subsection 17B-1-103(2)(g) and subject to Section 17B-2a-817,
1039 levy and collect property taxes only for the purpose of paying:

- 1040 (i) principal and interest of bonded indebtedness of the public transit district; or
- 1041 (ii) a final judgment against the public transit district if:
 - 1042 (A) the amount of the judgment exceeds the amount of any collectable insurance or
 - 1043 indemnity policy; and
 - 1044 (B) the district is required by a final court order to levy a tax to pay the judgment;
- 1045 (c) insure against:
 - 1046 (i) loss of revenues from damage to or destruction of some or all of a public transit
 - 1047 system from any cause;
 - 1048 (ii) public liability;
 - 1049 (iii) property damage; or
 - 1050 (iv) any other type of event, act, or omission;
- 1051 (d) acquire, contract for, lease, construct, own, operate, control, or use:
 - 1052 (i) a right-of-way, rail line, monorail, bus line, station, platform, switchyard, terminal,
 - 1053 parking lot, or any other facility necessary or convenient for public transit service; or
 - 1054 (ii) any structure necessary for access by persons and vehicles;
- 1055 (e) (i) hire, lease, or contract for the supplying or management of a facility, operation,
- 1056 equipment, service, employee, or management staff of an operator; and
- 1057 (ii) provide for a sublease or subcontract by the operator upon terms that are in the
- 1058 public interest;
- 1059 (f) operate feeder bus lines and other feeder or ridesharing services as necessary;
- 1060 (g) accept a grant, contribution, or loan, directly through the sale of securities or
- 1061 equipment trust certificates or otherwise, from the United States, or from a department,
- 1062 instrumentality, or agency of the United States~~[, to:];~~
- 1063 ~~[(i) establish, finance, participate as a limited partner or member in a development with~~
- 1064 ~~limited liabilities in accordance with Subsection (1)(i), construct, improve, maintain, or operate~~
- 1065 ~~transit facilities, equipment, and transit-oriented developments or transit-supportive~~

1066 ~~developments; or]~~
1067 ~~[(†)]~~ (h) study and plan transit facilities in accordance with any legislation passed by
1068 Congress;
1069 ~~[(†)]~~ (i) cooperate with and enter into an agreement with the state or an agency of the
1070 state or otherwise contract to finance to establish transit facilities and equipment or to study or
1071 plan transit facilities;
1072 ~~[(†)]~~ (j) issue bonds as provided in and subject to Chapter 1, Part 11, Local District
1073 Bonds, to carry out the purposes of the district;
1074 ~~[(†)]~~ (k) from bond proceeds or any other available funds, reimburse the state or an
1075 agency of the state for an advance or contribution from the state or state agency;
1076 ~~[(†)]~~ (l) do anything necessary to avail itself of any aid, assistance, or cooperation
1077 available under federal law, including complying with labor standards and making
1078 arrangements for employees required by the United States or a department, instrumentality, or
1079 agency of the United States; ~~[and]~~
1080 (m) sell or lease property;
1081 (n) assist in or operate transit-oriented or transit-supportive developments;
1082 (o) establish, finance, participate as a limited partner or member in a development with
1083 limited liabilities in accordance with Subsection (1)(p), construct, improve, maintain, or
1084 operate transit facilities, equipment, and transit-oriented developments or transit-supportive
1085 developments; and
1086 ~~[(†)]~~ (p) subject to the restriction in Subsection (2), assist in a transit-oriented
1087 development or a transit-supportive development in connection with ~~[the]~~ economic
1088 development ~~[of areas in proximity to a right-of-way, rail line, station, platform, switchyard,~~
1089 ~~terminal, or parking lot,]~~ by:
1090 (i) investing in a project as a limited partner or a member, with limited liabilities; or
1091 (ii) subordinating an ownership interest in real property owned by the public transit
1092 district.
1093 (2) (a) A public transit district may only assist in the economic development of areas

1094 under Subsection (1)(~~†~~)(p):

1095 (i) in the manner described in Subsection (1)(~~†~~)(p)(i) or (ii); and

1096 (ii) on no more than [~~five~~] eight transit-oriented developments or transit-supportive
1097 developments selected by the board of trustees.

1098 (b) A public transit district may not invest in a transit-oriented development or
1099 transit-supportive development as a limited partner or other limited liability entity under the
1100 provisions of Subsection (1)(~~†~~)(p)(i), unless the partners, developer, or other investor in the
1101 entity, makes an equity contribution equal to no less than 25% of the appraised value of the
1102 property to be contributed by the public transit district.

1103 (c) A current board member of a public transit district to which the board member is
1104 appointed may not have any interest in the transactions engaged in by the public transit district
1105 pursuant to Subsection (1)(~~†~~)(p)(i) or (ii), except as may be required by the board member's
1106 fiduciary duty as a board member.

1107 (3) A public transit district may be funded from any combination of federal, state, [~~or~~]
1108 local, or private funds.

1109 (4) A public transit district may not acquire property by eminent domain.

1110 Section 18. Section **17B-2a-807** is amended to read:

1111 **17B-2a-807. Public transit district board of trustees -- Appointment --**
1112 **Apportionment -- Qualifications -- Quorum -- Compensation -- Terms.**

1113 (1) (a) If 200,000 people or fewer reside within the boundaries of a public transit
1114 district, the board of trustees shall consist of members appointed by the legislative bodies of
1115 each municipality, county, or unincorporated area within any county on the basis of one
1116 member for each full unit of regularly scheduled passenger routes proposed to be served by the
1117 district in each municipality or unincorporated area within any county in the following calendar
1118 year.

1119 (b) For purposes of determining membership under Subsection (1)(a), the number of
1120 service miles comprising a unit shall be determined jointly by the legislative bodies of the
1121 municipalities or counties comprising the district.

1122 (c) The board of trustees of a public transit district under this Subsection (1) may
1123 include a member that is a commissioner on the Transportation Commission created in Section
1124 72-1-301 and appointed as provided in Subsection (11), who shall serve as a nonvoting, ex
1125 officio member.

1126 (d) Members appointed under this Subsection (1) shall be appointed and added to the
1127 board or omitted from the board at the time scheduled routes are changed, or as municipalities,
1128 counties, or unincorporated areas of counties annex to or withdraw from the district using the
1129 same appointment procedures.

1130 (e) For purposes of appointing members under this Subsection (1), municipalities,
1131 counties, and unincorporated areas of counties in which regularly scheduled passenger routes
1132 proposed to be served by the district in the following calendar year is less than a full unit, as
1133 defined in Subsection (1)(b), may combine with any other similarly situated municipality or
1134 unincorporated area to form a whole unit and may appoint one member for each whole unit
1135 formed.

1136 (2) (a) Subject to Section 17B-2a-807.5, if more than 200,000 people reside within the
1137 boundaries of a public transit district, the board of trustees shall consist of:

1138 (i) 11 members:

1139 (A) appointed as described under this Subsection (2); or

1140 (B) retained in accordance with Section 17B-2a-807.5;

1141 (ii) three members appointed as described in Subsection (4);

1142 (iii) one voting member appointed as provided in Subsection (11); and

1143 (iv) one nonvoting member appointed as provided in Subsection (12).

1144 (b) Except as provided in Subsections (2)(c) and (d), the board shall apportion voting
1145 members to each county within the district using an average of:

1146 (i) the proportion of population included in the district and residing within each county,
1147 rounded to the nearest 1/11 of the total transit district population; and

1148 (ii) the cumulative proportion of transit sales and use tax collected from areas included
1149 in the district and within each county, rounded to the nearest 1/11 of the total cumulative transit

1150 sales and use tax collected for the transit district.

1151 (c) The board shall join an entire or partial county not apportioned a voting member
1152 under this Subsection (2) with an adjacent county for representation. The combined
1153 apportionment basis included in the district of both counties shall be used for the
1154 apportionment.

1155 (d) (i) If rounding to the nearest 1/11 of the total public transit district apportionment
1156 basis under Subsection (2)(b) results in an apportionment of more than 11 members, the county
1157 or combination of counties with the smallest additional fraction of a whole member proportion
1158 shall have one less member apportioned to it.

1159 (ii) If rounding to the nearest 1/11 of the total public transit district apportionment
1160 basis under Subsection (2)(b) results in an apportionment of less than 11 members, the county
1161 or combination of counties with the largest additional fraction of a whole member proportion
1162 shall have one more member apportioned to it.

1163 (e) If the population in the unincorporated area of a county is at least 140,000, the
1164 county executive, with the advice and consent of the county legislative body, shall appoint one
1165 voting member to represent the population within a county's unincorporated area.

1166 (f) If a municipality's population is at least 160,000, the chief municipal executive,
1167 with the advice and consent of the municipal legislative body, shall appoint one voting member
1168 to represent the population within a municipality.

1169 (g) (i) The number of voting members appointed from a county and municipalities
1170 within a county under Subsections (2)(e) and (f) shall be subtracted from the county's total
1171 voting member apportionment under this Subsection (2).

1172 (ii) Notwithstanding Subsections (2)(1) and (10), no more than one voting member
1173 appointed by an appointing entity may be a locally elected public official.

1174 (h) If the entire county is within the district, the remaining voting members for the
1175 county shall represent the county or combination of counties, if Subsection (2)(c) applies, or
1176 the municipalities within the county.

1177 (i) If the entire county is not within the district, and the county is not joined with

1178 another county under Subsection (2)(c), the remaining voting members for the county shall
1179 represent a municipality or combination of municipalities.

1180 (j) (i) Except as provided under Subsections (2)(e) and (f), voting members
1181 representing counties, combinations of counties if Subsection (2)(c) applies, or municipalities
1182 within the county shall be designated and appointed by a simple majority of the chief
1183 executives of the municipalities within the county or combinations of counties if Subsection
1184 (2)(c) applies.

1185 (ii) The appointments shall be made by joint written agreement of the appointing
1186 municipalities, with the consent and approval of the county legislative body of the county that
1187 has at least 1/11 of the district's apportionment basis.

1188 (k) Voting members representing a municipality or combination of municipalities shall
1189 be designated and appointed by the chief executive officer of the municipality or simple
1190 majority of chief executive officers of municipalities with the consent of the legislative body of
1191 the municipality or municipalities.

1192 (l) The appointment of members shall be made without regard to partisan political
1193 affiliation from among citizens in the community.

1194 (m) Each member shall be a bona fide resident of the municipality, county, or
1195 unincorporated area or areas which the member is to represent for at least six months before the
1196 date of appointment, and shall continue in that residency to remain qualified to serve as a
1197 member.

1198 (n) (i) All population figures used under this section shall be derived from the most
1199 recent official census or census estimate of the United States Bureau of the Census.

1200 (ii) If population estimates are not available from the United States Bureau of Census,
1201 population figures shall be derived from the estimate from the Utah Population Estimates
1202 Committee.

1203 (iii) All transit sales and use tax totals shall be obtained from the State Tax
1204 Commission.

1205 (o) (i) The board shall be apportioned as provided under this section in conjunction

1206 with the decennial United States Census Bureau report every 10 years.

1207 (ii) Within 120 days following the receipt of the population estimates under this
1208 Subsection (2)(o), the district shall reapportion representation on the board of trustees in
1209 accordance with this section.

1210 (iii) The board shall adopt by resolution a schedule reflecting the current and proposed
1211 apportionment.

1212 (iv) Upon adoption of the resolution, the board shall forward a copy of the resolution to
1213 each of its constituent entities as defined under Section [17B-1-701](#).

1214 (v) The appointing entities gaining a new board member shall appoint a new member
1215 within 30 days following receipt of the resolution.

1216 (vi) The appointing entities losing a board member shall inform the board of which
1217 member currently serving on the board will step down:

1218 (A) upon appointment of a new member under Subsection (2)(o)(v); or

1219 (B) in accordance with Section [17B-2a-807.5](#).

1220 (3) Upon the completion of an annexation to a public transit district under Chapter 1,
1221 Part 4, Annexation, the annexed area shall have a representative on the board of trustees on the
1222 same basis as if the area had been included in the district as originally organized.

1223 (4) In addition to the voting members appointed in accordance with Subsection (2), the
1224 board shall consist of three voting members appointed as follows:

1225 (a) one member appointed by the speaker of the House of Representatives;

1226 (b) one member appointed by the president of the Senate; and

1227 (c) one member appointed by the governor.

1228 (5) Except as provided in Section [17B-2a-807.5](#), the terms of office of the members of
1229 the board shall be four years or until a successor is appointed, qualified, seated, and has taken
1230 the oath of office.

1231 (6) (a) Vacancies for members shall be filled by the official appointing the member
1232 creating the vacancy for the unexpired term, unless the official fails to fill the vacancy within
1233 90 days.

1234 (b) If the appointing official under Subsection (1) does not fill the vacancy within 90
1235 days, the board of trustees of the authority shall fill the vacancy.

1236 (c) If the appointing official under Subsection (2) does not fill the vacancy within 90
1237 days, the governor, with the advice and consent of the Senate, shall fill the vacancy.

1238 (7) (a) Each voting member may cast one vote on all questions, orders, resolutions, and
1239 ordinances coming before the board of trustees.

1240 (b) A majority of all voting members of the board of trustees are a quorum for the
1241 transaction of business.

1242 (c) The affirmative vote of a majority of all voting members present at any meeting at
1243 which a quorum was initially present shall be necessary and, except as otherwise provided, is
1244 sufficient to carry any order, resolution, ordinance, or proposition before the board of trustees.

1245 (8) Each public transit district shall pay to each member:

1246 (a) an attendance fee of \$50 per board or committee meeting attended, not to exceed
1247 \$200 in any calendar month to any member; and

1248 (b) reasonable mileage and expenses necessarily incurred to attend board or committee
1249 meetings.

1250 (9) (a) Members of the initial board of trustees shall convene at the time and place
1251 fixed by the chief executive officer of the entity initiating the proceedings.

1252 (b) The board of trustees shall elect from its voting membership a chair, vice chair, and
1253 secretary.

1254 (c) The members elected under Subsection (9)(b) shall serve for a period of two years
1255 or until their successors shall be elected and qualified.

1256 (d) On or after January 1, 2011, a locally elected public official is not eligible to serve
1257 as the chair, vice chair, or secretary of the board of trustees.

1258 (10) (a) Except as otherwise authorized under [~~Subsection~~] Subsections (2)(g) and
1259 (10)(b) and Section 17B-2a-807.5, at the time of a member's appointment or during a member's
1260 tenure in office, a member may not hold any employment, except as an independent contractor
1261 or locally elected public official, with a county or municipality within the district.

1262 (b) A member appointed by a county or municipality may hold employment with the
1263 county or municipality if the employment is disclosed in writing and the public transit district
1264 board of trustees ratifies the appointment.

1265 (11) The Transportation Commission created in Section 72-1-301:

1266 (a) for a public transit district serving a population of 200,000 people or fewer, may
1267 appoint a commissioner of the Transportation Commission to serve on the board of trustees as
1268 a nonvoting, ex officio member; and

1269 (b) for a public transit district serving a population of more than 200,000 people, shall
1270 appoint a commissioner of the Transportation Commission to serve on the board of trustees as
1271 a voting member.

1272 (12) (a) The board of trustees of a public transit district serving a population of more
1273 than 200,000 people shall include a nonvoting member who represents all municipalities and
1274 unincorporated areas within the district that are located within a county that is not annexed into
1275 the public transit district.

1276 (b) The nonvoting member representing the combination of municipalities and
1277 unincorporated areas described in Subsection (12)(a) shall be designated and appointed by a
1278 weighted vote of the majority of the chief executive officers of the municipalities described in
1279 Subsection (12)(a).

1280 (c) Each municipality's vote under Subsection (12)(b) shall be weighted using the
1281 proportion of the public transit district population that resides within that municipality and the
1282 adjacent unincorporated areas within the same county.

1283 (13) (a) (i) Each member of the board of trustees of a public transit district is subject to
1284 recall at any time by the legislative body of the county or municipality from which the member
1285 is appointed.

1286 (ii) Each recall of a board of trustees member shall be made in the same manner as the
1287 original appointment.

1288 (iii) The legislative body recalling a board of trustees member shall provide written
1289 notice to the member being recalled.

1290 (b) Upon providing written notice to the board of trustees, a member of the board may
1291 resign from the board of trustees.

1292 (c) Except as provided in Section 17B-2a-807.5, if a board member is recalled or
1293 resigns under this Subsection (13), the vacancy shall be filled as provided in Subsection (6).

1294 Section 19. Section 17B-2a-821 is amended to read:

1295 **17B-2a-821. Failure to pay fare -- Multicounty district may establish and enforce**
1296 **parking ordinance.**

1297 (1) A person may not ride a transit vehicle without payment of the applicable fare
1298 established by the public transit district that operates the transit vehicle.

1299 [~~(2) A person who violates Subsection (1) is guilty of an infraction.~~]

1300 [(3)] (2) The board of trustees of a multicounty district may adopt an ordinance
1301 governing parking of vehicles at a transit facility, including the imposition of a fine or civil
1302 penalty for a violation of the ordinance.

1303 Section 20. Section 17B-2a-825 is amended to read:

1304 **17B-2a-825. Criminal background checks authorized -- Employment eligibility.**

1305 (1) A public transit district may require an individual described in Subsection (2) to:

1306 (a) submit a fingerprint card in a form acceptable to the public transit district; and

1307 (b) consent to a fingerprint background check by:

1308 (i) the Utah Bureau of Criminal Identification; and

1309 (ii) the Federal Bureau of Investigation.

1310 (2) A person shall comply with the requirements of Subsection (1) if the person:

1311 (a) is applying for or continuing employment with the public transit district:

1312 (i) working in a safety-sensitive position or other position that may affect:

1313 (A) the safety or well-being of patrons of the public transit district; or

1314 (B) the safety or security of the transit buildings, stations, platforms, railways, bus
1315 systems, and transit vehicles;

1316 (ii) handling personally identifiable information, financial information, or other
1317 sensitive information including personal health information;

- 1318 (iii) working in security-sensitive areas; or
- 1319 (iv) handling security-sensitive information, including information system
- 1320 technologies; or
- 1321 (b) is seeking access to designated security-sensitive areas.
- 1322 (3) A public transit district may use the information obtained in accordance with this
- 1323 section only for one or more of the following purposes:
- 1324 (a) to determine whether or not an individual is convicted of:
- 1325 (i) a felony under federal or state law within the last 10 years;
- 1326 (ii) a violation within the last 10 years of a federal law, state law, or local ordinance
- 1327 concerning the sale, manufacture, distribution, warehousing, adulteration, or transportation of
- 1328 an alcoholic beverage;
- 1329 (iii) a crime involving moral turpitude; or
- 1330 (iv) two or more convictions within the last 10 years for a violation of driving under
- 1331 the influence of alcohol, any drug, or the combined influence of alcohol and any drug;
- 1332 (b) to determine whether or not an individual has accurately disclosed the person's
- 1333 criminal history on an application or document filed with the public transit district;
- 1334 (c) to approve or deny an application for employment with the public transit district; or
- 1335 (d) to take disciplinary action against an employee of the public transit district,
- 1336 including possible termination of employment.
- 1337 (4) A person is not eligible for employment with a public transit district in a capacity
- 1338 described in Subsection (2) if the person has been convicted of any of the offenses described in
- 1339 Subsection (3).

1340 Section 21. Section **17B-2a-1005** is amended to read:

1341 **17B-2a-1005. Water conservancy district board of trustees -- Selection of**
1342 **members -- Number -- Qualifications -- Terms -- Vacancies -- Surety bonds -- Authority.**

- 1343 (1) Members of the board of trustees for a water conservancy district shall be:
- 1344 (a) elected in accordance with:
- 1345 (i) the petition or resolution that initiated the process of creating the water conservancy

1346 district; and

1347 (ii) Section 17B-1-306;

1348 (b) appointed in accordance with Subsection (2); or

1349 (c) elected under Subsection (4)(a).

1350 (2) (a) If the members of the board of trustees are appointed, within 45 days after the
1351 day on which a water conservancy district is created as provided in Section 17B-1-215, the
1352 board of trustees shall be appointed as provided in this Subsection (2).

1353 (b) For a district located entirely within the boundaries of a single county, the county
1354 legislative body of that county shall appoint each trustee.

1355 (c) (i) For a district located in more than a single county, the governor, with the consent
1356 of the Senate, shall appoint each trustee from nominees submitted as provided in this
1357 Subsection (2)(c).

1358 (ii) (A) Except as provided in Subsection (2)(c)(ii)(B), in a division composed solely of
1359 municipalities, the legislative body of each municipality within the division shall submit two
1360 nominees per trustee.

1361 (B) The legislative body of a municipality may submit fewer than two nominees per
1362 trustee if the legislative body certifies in writing to the governor that the legislative body is
1363 unable, after reasonably diligent effort, to identify two nominees who are willing and qualified
1364 to serve as trustee.

1365 (iii) (A) Except as provided in Subsection (2)(c)(iii)(B), in all other divisions, the
1366 county legislative body of the county in which the division is located shall submit three
1367 nominees per trustee.

1368 (B) The county legislative body may submit fewer than three nominees per trustee if the
1369 county legislative body certifies in writing to the governor that the county legislative body is
1370 unable, after reasonably diligent effort, to identify three nominees who are willing and qualified
1371 to serve as trustee.

1372 (iv) If a trustee represents a division located in more than one county, the county
1373 legislative bodies of those counties shall collectively compile the list of three nominees.

1374 (v) For purposes of this Subsection (2)(c), a municipality that is located in more than
1375 one county shall be considered to be located in only the county in which more of the municipal
1376 area is located than in any other county.

1377 (d) In districts where substantial water is allocated for irrigated agriculture, one trustee
1378 appointed in that district shall be a person who owns irrigation rights and uses those rights as
1379 part of that person's livelihood.

1380 (3) (a) ~~[At least 90 days before expiration of an appointed trustee's term, the]~~ The board
1381 shall give written notice of the upcoming vacancy in an appointed trustee's term and the date
1382 when the trustee's term expires to the county legislative body in single county districts and to
1383 the nominating entities and the governor in all other districts[-];

1384 (i) if the upcoming vacancy is in a single county district, at least 90 days before the
1385 expiration of the trustee's term; and

1386 (ii) for all other districts, on or before October 1 before the expiration of the appointed
1387 trustee's term.

1388 (b) (i) Upon receipt of the notice of the expiration of an appointed trustee's term or
1389 notice of a vacancy in the office of an appointed trustee, the county or municipal legislative
1390 body, as the case may be, shall nominate candidates to fill the unexpired term of office
1391 pursuant to Subsection (2).

1392 (ii) If a trustee is to be appointed by the governor and the entity charged with
1393 nominating candidates has not submitted the list of nominees within 90 days after service of
1394 the notice, the governor shall make the appointment from qualified candidates without
1395 consultation with the county or municipal legislative body.

1396 (iii) If the governor fails to appoint, the incumbent shall continue to serve until a
1397 successor is appointed and qualified.

1398 (iv) Appointment by the governor vests in the appointee, upon qualification, the
1399 authority to discharge the duties of trustee, subject only to the consent of the Senate.

1400 (c) Each trustee shall hold office during the term for which appointed and until a
1401 successor is duly appointed and has qualified.

1402 (4) (a) Members of the board of trustees of a water conservancy district shall be
1403 elected, if, subject to Subsection (4)(b):

1404 (i) two-thirds of all members of the board of trustees of the water conservancy district
1405 vote in favor of changing to an elected board; and

1406 (ii) the legislative body of each municipality or county that appoints a member to the
1407 board of trustees adopts a resolution approving the change to an elected board.

1408 (b) A change to an elected board of trustees under Subsection (4)(a) may not shorten
1409 the term of any member of the board of trustees serving at the time of the change.

1410 (5) The board of trustees of a water conservancy district shall consist of:

1411 (a) except as provided in Subsection (5)(b), not more than 11 persons who are residents
1412 of the district; or

1413 (b) if the district consists of five or more counties, not more than 21 persons who are
1414 residents of the district.

1415 (6) If an elected trustee's office is vacated, the vacated office shall be filled in
1416 accordance with Section [17B-1-303](#).

1417 (7) Each trustee shall furnish a corporate surety bond at the expense of the district,
1418 conditioned for the faithful performance of duties as a trustee.

1419 (8) (a) The board of trustees of a water conservancy district may:

1420 (i) make and enforce all reasonable rules and regulations for the management, control,
1421 delivery, use, and distribution of water;

1422 (ii) withhold the delivery of water with respect to which there is a default or
1423 delinquency of payment;

1424 (iii) provide for and declare a forfeiture of the right to the use of water upon the default
1425 or failure to comply with an order, contract, or agreement for the purchase, lease, or use of
1426 water, and resell, lease, or otherwise dispose of water with respect to which a forfeiture has
1427 been declared;

1428 (iv) allocate and reallocate the use of water to lands within the district;

1429 (v) provide for and grant the right, upon terms, to transfer water from lands to which

1430 water has been allocated to other lands within the district;

1431 (vi) create a lien, as provided in this part, upon land to which the use of water is
1432 transferred;

1433 (vii) discharge a lien from land to which a lien has attached; and

1434 (viii) subject to Subsection (8)(b), enter into a written contract for the sale, lease, or
1435 other disposition of the use of water.

1436 (b) (i) A contract under Subsection (8)(a)(viii) may provide for the use of water
1437 perpetually or for a specified term.

1438 (ii) (A) If a contract under Subsection (8)(a)(viii) makes water available to the
1439 purchasing party without regard to actual taking or use, the board may require that the
1440 purchasing party give security for the payment to be made under the contract, unless the
1441 contract requires the purchasing party to pay for certain specified annual minimums.

1442 (B) The security requirement under Subsection (8)(b)(ii)(A) in a contract with a public
1443 entity may be met by including in the contract a provision for the public entity's levy of a
1444 special assessment to make annual payments to the district.

1445 Section 22. Section **17D-1-102** is amended to read:

1446 **17D-1-102. Definitions.**

1447 As used in this chapter:

1448 (1) "Adequate protests" means written protests timely filed by:

1449 (a) the owners of private real property that:

1450 (i) is located within the applicable area;

1451 (ii) covers at least 25% of the total private land area within the applicable area; and

1452 (iii) is equal in value to at least 15% of the value of all private real property within the
1453 applicable area; or

1454 (b) registered voters residing within the applicable area equal in number to at least 25%
1455 of the number of votes cast in the applicable area for the office of president of the United States
1456 at the most recent election prior to the adoption of the resolution or filing of the petition.

1457 (2) "Applicable area" means:

1458 (a) for a proposal to create a special service district, the area included within the
1459 proposed special service district;

1460 (b) for a proposal to annex an area to an existing special service district, the area
1461 proposed to be annexed;

1462 (c) for a proposal to add a service to the service or services provided by a special
1463 service district, the area included within the special service district; and

1464 (d) for a proposal to consolidate special service districts, the area included within each
1465 special service district proposed to be consolidated.

1466 (3) "Facility" or "facilities" includes any structure, building, system, land, water right,
1467 water, or other real or personal property required to provide a service that a special service
1468 district is authorized to provide, including any related or appurtenant easement or right-of-way,
1469 improvement, utility, landscaping, sidewalk, road, curb, gutter, equipment, or furnishing.

1470 (4) "General obligation bond":

1471 (a) means a bond that is directly payable from and secured by ad valorem property
1472 taxes that are:

1473 (i) levied:

1474 (A) by the county or municipality that created the special service district that issues the
1475 bond; and

1476 (B) on taxable property within the special service district; and

1477 (ii) in excess of the ad valorem property taxes for the current fiscal year; and

1478 (b) does not include:

1479 (i) a short-term bond;

1480 (ii) a tax and revenue anticipation bond; or

1481 (iii) a special assessment bond.

1482 (5) "Governing body" means:

1483 (a) the legislative body of the county or municipality that creates the special service
1484 district, to the extent that the county or municipal legislative body has not delegated authority
1485 to an administrative control board [~~appointed~~] created under Section [17D-1-301](#); or

1486 (b) the administrative control board of the special service district, to the extent that the
1487 county or municipal legislative body has delegated authority to an administrative control board
1488 ~~[appointed]~~ created under Section [17D-1-301](#).

1489 (6) "Guaranteed bonds" means bonds:

1490 (a) issued by a special service district; and

1491 (b) the debt service of which is guaranteed by one or more taxpayers owning property
1492 within the special service district.

1493 (7) "Local district" has the same meaning as defined in Section [17B-1-102](#).

1494 (8) "Revenue bond":

1495 (a) means a bond payable from designated taxes or other revenues other than the ad
1496 valorem property taxes of the county or municipality that created the special service district;
1497 and

1498 (b) does not include:

1499 (i) an obligation constituting an indebtedness within the meaning of an applicable
1500 constitutional or statutory debt limit;

1501 (ii) a tax and revenue anticipation bond; or

1502 (iii) a special assessment bond.

1503 (9) "Special assessment" means an assessment levied against property to pay all or a
1504 portion of the costs of making improvements that benefit the property.

1505 (10) "Special assessment bond" means a bond payable from special assessments.

1506 (11) "Special service district" means a limited purpose local government entity, as
1507 described in Section [17D-1-103](#), that:

1508 (a) is created under authority of the Utah Constitution Article XI, Section 7; and

1509 (b) operates under, is subject to, and has the powers set forth in this chapter.

1510 (12) "Tax and revenue anticipation bond" means a bond:

1511 (a) issued in anticipation of the collection of taxes or other revenues or a combination
1512 of taxes and other revenues; and

1513 (b) that matures within the same fiscal year as the fiscal year in which the bond is

1514 issued.

1515 Section 23. Section **17D-1-302** is amended to read:

1516 **17D-1-302. Number of members of an administrative control board.**

1517 (1) An administrative control board shall consist of at least three members in addition
1518 to a member appointed in accordance with Subsections **17D-1-303**~~[(2)(b)(i) and (ii)]~~ (3) and
1519 (4).

1520 (2) The number of administrative control board members for a special service district
1521 established by a county of the first class to provide jail service as provided in Subsection
1522 **17D-1-201**(10) is nine.

1523 Section 24. Section **17D-1-303** is amended to read:

1524 **17D-1-303. Election or appointment of administrative control board members.**

1525 (1) Except as provided in Subsection ~~[(2)(b)(iii)]~~ (5), a county or municipal legislative
1526 body that creates an administrative control board may provide for board members to be elected
1527 or appointed, or for some members to be elected and some appointed.

1528 (2) ~~[(a)]~~ Except as provided in Subsection ~~[(2)(b)]~~ (3), each member of an
1529 administrative control board shall be elected or appointed as provided for the election or
1530 appointment, respectively, of a member of a board of trustees of a local district under Title
1531 17B, Chapter 1, Part 3, Board of Trustees.

1532 ~~[(b)(i)]~~ (3) A municipality or improvement district under Title 17B, Chapter 2a, Part 4,
1533 Improvement District Act, may appoint one member to represent it on an administrative control
1534 board created ~~[by]~~ for a special service district if:

1535 ~~[(A)]~~ (a) the special service district was created by a county;

1536 ~~[(B) the special service district provides the same service as the municipality or
1537 improvement district; and]~~

1538 (b) the municipality or improvement district:

1539 (i) provides the same service as the special service district; or

1540 (ii) provided the same service as the special service district:

1541 (A) prior to the creation of the special service district, if all or part of the municipality

1542 or improvement district was then included in the special service district; or

1543 (B) prior to all or part of the municipality or improvement district being annexed into
1544 the special service district; and

1545 [~~(C)~~] (c) the special service district includes some or all of the area included within the
1546 municipality or improvement district.

1547 [(ii)] (4) An institution of higher education for which a special service district provides
1548 commodities, services, or facilities may appoint the number of members of an administrative
1549 control board of that special service district that are equal in number to at least 1/3 of the total
1550 number of board members.

1551 [(iii)] (5) With respect to an administrative control board created for a special service
1552 district created by a county of the first class to provide jail service as provided in Subsection
1553 17D-1-201(10), the county legislative body shall appoint:

1554 [~~(A)~~] (a) three members from a list of at least six recommendations from the county
1555 sheriff;

1556 [~~(B)~~] (b) three members from a list of at least six recommendations from municipalities
1557 within the county; and

1558 [~~(C)~~] (c) three members from a list of at least six recommendations from the county
1559 executive.

1560 Section 25. Section 17D-1-304 is amended to read:

1561 **17D-1-304. Qualifications of administrative control board members -- Term of**
1562 **office.**

1563 (1) (a) Except as provided in Subsection (1)(b), each member of an administrative
1564 control board shall be:

1565 (i) a registered voter within the special service district;

1566 (ii) an officer or employee of the county or municipality that created the special service
1567 district; or

1568 (iii) if over 50% of the residences within a special service district are seasonally
1569 occupied homes, as defined in Section 17B-1-302, an owner of land, or an agent or officer of

1570 an owner of land, that receives services from the special service district and is located within
1571 the special service district, provided that the number of members appointed under this
1572 Subsection (1)(a)(iii) comprises less than a quorum of the board.

1573 (b) Subsection (1)(a) does not apply if:

1574 (i) at least 90% of the owners of real property within the special service district are not
1575 registered voters within the special service district; or

1576 (ii) the member is appointed under Subsection ~~17D-1-303[(2)(b)(i) or (ii)]~~ (3) or (4).

1577 (2) (a) Except as provided in Subsection (2)(b), the term of each member of an
1578 administrative control board is four years.

1579 (b) The term of as close as possible to half of the initial members of an administrative
1580 control board, chosen by lot, is two years.

1581 Section 26. Section **20A-1-512** is amended to read:

1582 **20A-1-512. Midterm vacancies on local district boards.**

1583 (1) (a) Whenever a vacancy occurs on any local district board for any reason, a
1584 replacement to serve out the unexpired term shall be appointed as provided in this section by:

1585 (i) the local district board, if the person vacating the position was elected; or

1586 (ii) the appointing authority, as defined in Section **17B-1-102**, if the person vacating
1587 the position was appointed.

1588 (b) Except as provided in Subsection (1)(c), before acting to fill the vacancy, the local
1589 district board or appointing authority shall:

1590 (i) give public notice of the vacancy at least two weeks before the local district board
1591 or appointing authority meets to fill the vacancy; and

1592 (ii) identify, in the notice:

1593 (A) the date, time, and place of the meeting where the vacancy will be filled; and

1594 (B) the person to whom a person interested in being appointed to fill the vacancy may
1595 submit his name for consideration and any deadline for submitting it.

1596 (c) An appointing authority is not subject to Subsection (1)(b) if the appointing
1597 authority appoints one of its own members and that member meets all applicable statutory

1598 board member qualifications.

1599 (2) If the local district board fails to appoint a person to complete an elected board
1600 member's term within 90 days, the legislative body of the county or municipality that created
1601 the local district shall fill the vacancy following the procedure set forth for a local district in
1602 Subsection (1)(b).

1603 Section 27. Section **20A-4-301** is amended to read:

1604 **20A-4-301. Board of canvassers.**

1605 (1) (a) Each county legislative body is the board of county canvassers for:

1606 (i) the county; and

1607 (ii) each local district whose election is conducted by the county[-] if:

1608 (A) the election relates to the creation of the local district;

1609 (B) the county legislative body serves as the governing body of the local district; or

1610 (C) there is no duly constituted governing body of the local district.

1611 (b) The board of county canvassers shall meet to canvass the returns at the usual place
1612 of meeting of the county legislative body, at a date and time determined by the county clerk
1613 that is no sooner than seven days after the election and no later than 14 days after the election.

1614 (c) If one or more of the county legislative body fails to attend the meeting of the board
1615 of county canvassers, the remaining members shall replace the absent member by appointing in
1616 the order named:

1617 (i) the county treasurer;

1618 (ii) the county assessor; or

1619 (iii) the county sheriff.

1620 (d) Attendance of the number of persons equal to a simple majority of the county
1621 legislative body, but not less than three persons, shall constitute a quorum for conducting the
1622 canvass.

1623 (e) The county clerk is the clerk of the board of county canvassers.

1624 (2) (a) The mayor and the municipal legislative body are the board of municipal
1625 canvassers for the municipality.

1626 (b) The board of municipal canvassers shall meet to canvass the returns at the usual
1627 place of meeting of the municipal legislative body:

1628 (i) for canvassing of returns from a municipal general election, no sooner than seven
1629 days after the election and no later than 14 days after the election; or

1630 (ii) for canvassing of returns from a municipal primary election, no sooner than seven
1631 days after the election and no later than 14 days after the election.

1632 (c) Attendance of a simple majority of the municipal legislative body shall constitute a
1633 quorum for conducting the canvass.

1634 (3) (a) The legislative body of the entity authorizing a bond election is the board of
1635 canvassers for each bond election.

1636 (b) The board of canvassers for the bond election shall comply with the canvassing
1637 procedures and requirements of Section 11-14-207.

1638 (c) Attendance of a simple majority of the legislative body of the entity authorizing a
1639 bond election shall constitute a quorum for conducting the canvass.

1640 Section 28. Section 41-6a-2003 is amended to read:

1641 **41-6a-2003. Automatic license plate reader systems -- Restrictions.**

1642 (1) Except as provided in Subsection (2), a person or governmental entity may not use
1643 an automatic license plate reader system.

1644 (2) An automatic license plate reader system may be used:

1645 (a) by a law enforcement agency for the purpose of protecting public safety, conducting
1646 criminal investigations, or ensuring compliance with local, state, and federal laws;

1647 (b) by a governmental parking enforcement entity for the purpose of enforcing state
1648 and local parking laws;

1649 (c) by a parking enforcement entity for regulating the use of a parking facility;

1650 (d) for the purpose of controlling access to a secured area;

1651 (e) for the purpose of collecting an electronic toll; ~~or~~

1652 (f) for the purpose of enforcing motor carrier laws~~[-];~~ or

1653 (g) by a public transit district for the purpose of assessing parking needs and

1654 conducting a travel pattern analysis.

1655 Section 29. Section **53-10-108** is amended to read:

1656 **53-10-108. Restrictions on access, use, and contents of division records -- Limited**
1657 **use of records for employment purposes -- Challenging accuracy of records -- Usage fees**
1658 **-- Missing children records -- Penalty for misuse of records.**

1659 (1) Dissemination of information from a criminal history record or warrant of arrest
1660 information from division files is limited to:

1661 (a) criminal justice agencies for purposes of administration of criminal justice and for
1662 employment screening by criminal justice agencies;

1663 (b) noncriminal justice agencies or individuals for any purpose authorized by statute,
1664 executive order, court rule, court order, or local ordinance;

1665 (c) agencies or individuals for the purpose of obtaining required clearances connected
1666 with foreign travel or obtaining citizenship;

1667 (d) (i) agencies or individuals pursuant to a specific agreement with a criminal justice
1668 agency to provide services required for the administration of criminal justice; and

1669 (ii) the agreement shall specifically authorize access to data, limit the use of the data to
1670 purposes for which given, and ensure the security and confidentiality of the data;

1671 (e) agencies or individuals for the purpose of a preplacement adoptive study, in
1672 accordance with the requirements of Sections [78B-6-128](#) and [78B-6-130](#);

1673 (f) (i) agencies and individuals as the commissioner authorizes for the express purpose
1674 of research, evaluative, or statistical activities pursuant to an agreement with a criminal justice
1675 agency; and

1676 (ii) private security agencies through guidelines established by the commissioner for
1677 employment background checks for their own employees and prospective employees;

1678 (g) a qualifying entity for employment background checks for their own employees and
1679 persons who have applied for employment with the qualifying entity; and

1680 (h) other agencies and individuals as the commissioner authorizes and finds necessary
1681 for protection of life and property and for offender identification, apprehension, and

1682 prosecution pursuant to an agreement.

1683 (2) An agreement under Subsection (1)(f) or (1)(h) shall specifically authorize access
1684 to data, limit the use of data to research, evaluative, or statistical purposes, preserve the
1685 anonymity of individuals to whom the information relates, and ensure the confidentiality and
1686 security of the data.

1687 (3) (a) Before requesting information under Subsection (1)(g), a qualifying entity must
1688 obtain a signed waiver from the person whose information is requested.

1689 (b) The waiver must notify the signee:

1690 (i) that a criminal history background check will be conducted;

1691 (ii) who will see the information; and

1692 (iii) how the information will be used.

1693 (c) Information received by a qualifying entity under Subsection (1)(g) may only be:

1694 (i) available to persons involved in the hiring or background investigation of the
1695 employee; and

1696 (ii) used for the purpose of assisting in making an employment or promotion decision.

1697 (d) A person who disseminates or uses information obtained from the division under
1698 Subsection (1)(g) for purposes other than those specified under Subsection (3)(c), in addition to
1699 any penalties provided under this section, is subject to civil liability.

1700 (e) A qualifying entity that obtains information under Subsection (1)(g) shall provide
1701 the employee or employment applicant an opportunity to:

1702 (i) review the information received as provided under Subsection (8); and

1703 (ii) respond to any information received.

1704 (f) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1705 division may make rules to implement this Subsection (3).

1706 (g) (i) The applicant fingerprint card fee under Subsection (1)(g) is \$20.

1707 (ii) The name check fee under Subsection (1)(g) is \$15.

1708 (iii) These fees remain in effect until changed by the division through the process under
1709 Section [63J-1-504](#).

1710 (iv) Funds generated under Subsections (3)(g)(i), (3)(g)(ii), and (8)(b) shall be
1711 deposited in the General Fund as a dedicated credit by the department to cover the costs
1712 incurred in providing the information.

1713 (h) The division or its employees are not liable for defamation, invasion of privacy,
1714 negligence, or any other claim in connection with the contents of information disseminated
1715 under Subsection (1)(g).

1716 (4) (a) Any criminal history record information obtained from division files may be
1717 used only for the purposes for which it was provided and may not be further disseminated,
1718 except under ~~[Subsections]~~ Subsection (4)(b) [and], (c), or (d).

1719 (b) A criminal history provided to an agency pursuant to Subsection (1)(e) may be
1720 provided by the agency to the person who is the subject of the history, another licensed
1721 child-placing agency, or the attorney for the adoptive parents for the purpose of facilitating an
1722 adoption.

1723 (c) A criminal history of a defendant provided to a criminal justice agency under
1724 Subsection (1)(a) may also be provided by the prosecutor to a defendant's defense counsel,
1725 upon request during the discovery process, for the purpose of establishing a defense in a
1726 criminal case.

1727 (d) A public transit district, as described in Title 17B, Chapter 2a, Part 8, Public
1728 Transit District Act, that is under contract with a state agency to provide services may, for the
1729 purposes of complying with Subsection 62A-5-103.5(7), provide a criminal history record to
1730 the state agency or the agency's designee.

1731 (5) If an individual has no prior criminal convictions, criminal history record
1732 information contained in the division's computerized criminal history files may not include
1733 arrest or disposition data concerning an individual who has been acquitted, the person's charges
1734 dismissed, or when no complaint against the person has been filed.

1735 (6) (a) This section does not preclude the use of the division's central computing
1736 facilities for the storage and retrieval of criminal history record information.

1737 (b) This information shall be stored so it cannot be modified, destroyed, or accessed by

1738 unauthorized agencies or individuals.

1739 (7) Direct access through remote computer terminals to criminal history record
1740 information in the division's files is limited to those agencies authorized by the commissioner
1741 under procedures designed to prevent unauthorized access to this information.

1742 (8) (a) The commissioner shall establish procedures to allow an individual right of
1743 access to review and receive a copy of the individual's criminal history report.

1744 (b) A processing fee for the right of access service, including obtaining a copy of the
1745 individual's criminal history report under Subsection (8)(a) is \$15. This fee remains in effect
1746 until changed by the commissioner through the process under Section [63J-1-504](#).

1747 (c) (i) The commissioner shall establish procedures for an individual to challenge the
1748 completeness and accuracy of criminal history record information contained in the division's
1749 computerized criminal history files regarding that individual.

1750 (ii) These procedures shall include provisions for amending any information found to
1751 be inaccurate or incomplete.

1752 (9) The private security agencies as provided in Subsection (1)(f)(ii):

1753 (a) shall be charged for access; and

1754 (b) shall be registered with the division according to rules made by the division under
1755 Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

1756 (10) Before providing information requested under this section, the division shall give
1757 priority to criminal justice agencies needs.

1758 (11) (a) It is a class B misdemeanor for a person to knowingly or intentionally access,
1759 use, disclose, or disseminate a record created, maintained, or to which access is granted by the
1760 division or any information contained in a record created, maintained, or to which access is
1761 granted by the division for a purpose prohibited or not permitted by statute, rule, regulation, or
1762 policy of a governmental entity.

1763 (b) A person who discovers or becomes aware of any unauthorized use of records
1764 created or maintained, or to which access is granted by the division shall inform the
1765 commissioner and the director of the Utah Bureau of Criminal Identification of the

1766 unauthorized use.

1767 Section 30. Section **67-3-1** is amended to read:

1768 **67-3-1. Functions and duties.**

1769 (1) (a) The state auditor is the auditor of public accounts and is independent of any
1770 executive or administrative officers of the state.

1771 (b) The state auditor is not limited in the selection of personnel or in the determination
1772 of the reasonable and necessary expenses of the state auditor's office.

1773 (2) The state auditor shall examine and certify annually in respect to each fiscal year,
1774 financial statements showing:

1775 (a) the condition of the state's finances;

1776 (b) the revenues received or accrued;

1777 (c) expenditures paid or accrued;

1778 (d) the amount of unexpended or unencumbered balances of the appropriations to the
1779 agencies, departments, divisions, commissions, and institutions; and

1780 (e) the cash balances of the funds in the custody of the state treasurer.

1781 (3) (a) The state auditor shall:

1782 (i) audit each permanent fund, each special fund, the General Fund, and the accounts of
1783 any department of state government or any independent agency or public corporation as the law
1784 requires, as the auditor determines is necessary, or upon request of the governor or the
1785 Legislature;

1786 (ii) perform the audits in accordance with generally accepted auditing standards and
1787 other auditing procedures as promulgated by recognized authoritative bodies;

1788 (iii) as the auditor determines is necessary, conduct the audits to determine:

1789 (A) honesty and integrity in fiscal affairs;

1790 (B) accuracy and reliability of financial statements;

1791 (C) effectiveness and adequacy of financial controls; and

1792 (D) compliance with the law.

1793 (b) If any state entity receives federal funding, the state auditor shall ensure that the

1794 audit is performed in accordance with federal audit requirements.

1795 (c) (i) The costs of the federal compliance portion of the audit may be paid from an
1796 appropriation to the state auditor from the General Fund.

1797 (ii) If an appropriation is not provided, or if the federal government does not
1798 specifically provide for payment of audit costs, the costs of the federal compliance portions of
1799 the audit shall be allocated on the basis of the percentage that each state entity's federal funding
1800 bears to the total federal funds received by the state.

1801 (iii) The allocation shall be adjusted to reflect any reduced audit time required to audit
1802 funds passed through the state to local governments and to reflect any reduction in audit time
1803 obtained through the use of internal auditors working under the direction of the state auditor.

1804 (4) (a) Except as provided in Subsection (4)(b), the state auditor shall, in addition to
1805 financial audits, and as the auditor determines is necessary, conduct performance and special
1806 purpose audits, examinations, and reviews of any entity that receives public funds, including a
1807 determination of any or all of the following:

1808 (i) the honesty and integrity of all its fiscal affairs;

1809 (ii) whether or not its administrators have faithfully complied with legislative intent;

1810 (iii) whether or not its operations have been conducted in an efficient, effective, and
1811 cost-efficient manner;

1812 (iv) whether or not its programs have been effective in accomplishing the intended
1813 objectives; and

1814 (v) whether or not its management, control, and information systems are adequate,
1815 effective, and secure.

1816 (b) The auditor may not conduct performance and special purpose audits,
1817 examinations, and reviews of any entity that receives public funds if the entity:

1818 (i) has an elected auditor; and

1819 (ii) has, within the entity's last budget year, had its financial statements or performance
1820 formally reviewed by another outside auditor.

1821 (5) The state auditor shall administer any oath or affirmation necessary to the

1822 performance of the duties of the auditor's office, and may subpoena witnesses and documents,
1823 whether electronic or otherwise, and examine into any matter that the auditor considers
1824 necessary.

1825 (6) The state auditor may require all persons who have had the disposition or
1826 management of any property of this state or its political subdivisions to submit statements
1827 regarding it at the time and in the form that the auditor requires.

1828 (7) The state auditor shall:

1829 (a) except where otherwise provided by law, institute suits in Salt Lake County in
1830 relation to the assessment, collection, and payment of its revenues against:

1831 (i) persons who by any means have become entrusted with public money or property
1832 and have failed to pay over or deliver the money or property; and

1833 (ii) all debtors of the state;

1834 (b) collect and pay into the state treasury all fees received by the state auditor;

1835 (c) perform the duties of a member of all boards of which the state auditor is a member
1836 by the constitution or laws of the state, and any other duties that are prescribed by the
1837 constitution and by law;

1838 (d) stop the payment of the salary of any state official or state employee who:

1839 (i) refuses to settle accounts or provide required statements about the custody and
1840 disposition of public funds or other state property;

1841 (ii) refuses, neglects, or ignores the instruction of the state auditor or any controlling
1842 board or department head with respect to the manner of keeping prescribed accounts or funds;
1843 or

1844 (iii) fails to correct any delinquencies, improper procedures, and errors brought to the
1845 official's or employee's attention;

1846 (e) establish accounting systems, methods, and forms for public accounts in all taxing
1847 or fee-assessing units of the state in the interest of uniformity, efficiency, and economy;

1848 (f) superintend the contractual auditing of all state accounts;

1849 (g) subject to Subsection (8)(a), withhold state allocated funds or the disbursement of

1850 property taxes from ~~[any]~~ a state or local taxing or fee-assessing unit, if necessary, to ensure
1851 that officials and employees in those taxing units ~~[of the state]~~ comply with state laws and
1852 procedures in the budgeting, expenditures, and financial reporting of public funds; and

1853 (h) subject to Subsection (9), withhold the disbursement of tax money from any county,
1854 if necessary, to ensure that officials and employees in the county comply with Section
1855 [59-2-303.1](#).

1856 (8) (a) Except as otherwise provided by law, the state auditor may not withhold funds
1857 under Subsection (7)(g) until a state or local taxing or fee-assessing unit has received formal
1858 written notice of noncompliance from the auditor and has been given 60 days to make the
1859 specified corrections.

1860 (b) If, after receiving notice under Subsection (8)(a), a state or independent local
1861 fee-assessing unit that exclusively assesses fees has not made corrections to comply with state
1862 laws and procedures in the budgeting, expenditures, and financial reporting of public funds, the
1863 state auditor:

1864 (i) shall provide a recommended timeline for corrective actions; and

1865 (ii) may prohibit the state or local fee-assessing unit from accessing money held by the
1866 state; and

1867 (iii) may prohibit a state or local fee-assessing unit from accessing money held in an
1868 account of a financial institution by filing an action in district court requesting an order of the
1869 court to prohibit a financial institution from providing the fee-assessing unit access to an
1870 account.

1871 (c) The state auditor shall remove a limitation on accessing funds under Subsection
1872 (8)(b) upon compliance with state laws and procedures in the budgeting, expenditures, and
1873 financial reporting of public funds.

1874 (d) If a local taxing or fee-assessing unit has not adopted a budget in compliance with
1875 state law, the state auditor:

1876 (i) shall provide notice to the taxing or fee-assessing unit of the unit's failure to
1877 comply;

1878 (ii) may prohibit the taxing or fee-assessing unit from accessing money held by the
1879 state; and

1880 (iii) may prohibit a taxing or fee-assessing unit from accessing money held in an
1881 account of a financial institution by:

1882 (A) contacting the taxing or fee-assessing unit's financial institution and requesting that
1883 the institution prohibit access to the account; or

1884 (B) filing an action in district court requesting an order of the court to prohibit a
1885 financial institution from providing the taxing or fee-assessing unit access to an account.

1886 (e) If the local taxing or fee-assessing unit adopts a budget in compliance with state
1887 law, the state auditor shall eliminate a limitation on accessing funds described in Subsection
1888 (8)(d).

1889 (9) The state auditor may not withhold funds under Subsection (7)(h) until a county has
1890 received formal written notice of noncompliance from the auditor and has been given 60 days
1891 to make the specified corrections.

1892 (10) Notwithstanding Subsection (7)(g),(7)(h), (8)(b), or (8)(d) the state auditor:

1893 (a) shall authorize a disbursement by a state or local taxing or fee-assessing unit if the
1894 disbursement is necessary to:

1895 (i) avoid a major disruption in the operations of the state or local taxing or
1896 fee-assessing unit; or

1897 (ii) meet debt service obligations; and

1898 (b) may authorize a disbursement by a state or local taxing or fee-assessing unit as the
1899 state auditor determines is appropriate.

1900 ~~[(10)]~~ (11) The state auditor shall:

1901 (a) establish audit guidelines and procedures for audits of local mental health and
1902 substance abuse authorities and their contract providers, conducted pursuant to Title 17,

1903 Chapter 43, Parts 2, Local Substance Abuse Authorities and 3, Local Mental Health

1904 Authorities, Title 51, Chapter 2a, Accounting Reports from Political Subdivisions, Interlocal

1905 Organizations, and Other Local Entities Act, and Title 62A, Chapter 15, Substance Abuse and

1906 Mental Health Act; and

1907 (b) ensure that those guidelines and procedures provide assurances to the state that:

1908 (i) state and federal funds appropriated to local mental health authorities are used for
1909 mental health purposes;

1910 (ii) a private provider under an annual or otherwise ongoing contract to provide
1911 comprehensive mental health programs or services for a local mental health authority is in
1912 compliance with state and local contract requirements, and state and federal law;

1913 (iii) state and federal funds appropriated to local substance abuse authorities are used
1914 for substance abuse programs and services; and

1915 (iv) a private provider under an annual or otherwise ongoing contract to provide
1916 comprehensive substance abuse programs or services for a local substance abuse authority is in
1917 compliance with state and local contract requirements, and state and federal law.

1918 ~~[(11)]~~ (12) The state auditor may, in accordance with the auditor's responsibilities for
1919 political subdivisions of the state as provided in Title 51, Chapter 2a, Accounting Reports from
1920 Political Subdivisions, Interlocal Organizations, and Other Local Entities Act, initiate audits or
1921 investigations of any political subdivision that are necessary to determine honesty and integrity
1922 in fiscal affairs, accuracy and reliability of financial statements, effectiveness, and adequacy of
1923 financial controls and compliance with the law.

1924 ~~[(12)]~~ (13) (a) The state auditor may not audit work that the state auditor performed
1925 before becoming state auditor.

1926 (b) If the state auditor has previously been a responsible official in state government
1927 whose work has not yet been audited, the Legislature shall:

1928 (i) designate how that work shall be audited; and

1929 (ii) provide additional funding for those audits, if necessary.

1930 ~~[(13)]~~ (14) The state auditor shall:

1931 (a) with the assistance, advice, and recommendations of an advisory committee
1932 appointed by the state auditor from among local district boards of trustees, officers, and
1933 employees and special service district boards, officers, and employees:

- 1934 (i) prepare a Uniform Accounting Manual for Local Districts that:
- 1935 (A) prescribes a uniform system of accounting and uniform budgeting and reporting
- 1936 procedures for local districts under Title 17B, Limited Purpose Local Government Entities -
- 1937 Local Districts, and special service districts under Title 17D, Chapter 1, Special Service
- 1938 District Act;
- 1939 (B) conforms with generally accepted accounting principles; and
- 1940 (C) prescribes reasonable exceptions and modifications for smaller districts to the
- 1941 uniform system of accounting, budgeting, and reporting;
- 1942 (ii) maintain the manual under Subsection [~~13~~] (14)(a) so that it continues to reflect
- 1943 generally accepted accounting principles;
- 1944 (iii) conduct a continuing review and modification of procedures in order to improve
- 1945 them;
- 1946 (iv) prepare and supply each district with suitable budget and reporting forms; and
- 1947 (v) prepare instructional materials, conduct training programs, and render other
- 1948 services considered necessary to assist local districts and special service districts in
- 1949 implementing the uniform accounting, budgeting, and reporting procedures; and
- 1950 (b) continually analyze and evaluate the accounting, budgeting, and reporting practices
- 1951 and experiences of specific local districts and special service districts selected by the state
- 1952 auditor and make the information available to all districts.
- 1953 [~~14~~] (15) (a) The following records in the custody or control of the state auditor are
- 1954 protected records under Title 63G, Chapter 2, Government Records Access and Management
- 1955 Act:
- 1956 (i) records that would disclose information relating to allegations of personal
- 1957 misconduct, gross mismanagement, or illegal activity of a past or present governmental
- 1958 employee if the information or allegation cannot be corroborated by the state auditor through
- 1959 other documents or evidence, and the records relating to the allegation are not relied upon by
- 1960 the state auditor in preparing a final audit report;
- 1961 (ii) records and audit workpapers to the extent they would disclose the identity of a

1962 person who during the course of an audit, communicated the existence of any waste of public
1963 funds, property, or manpower, or a violation or suspected violation of a law, rule, or regulation
1964 adopted under the laws of this state, a political subdivision of the state, or any recognized entity
1965 of the United States, if the information was disclosed on the condition that the identity of the
1966 person be protected;

1967 (iii) before an audit is completed and the final audit report is released, records or drafts
1968 circulated to a person who is not an employee or head of a governmental entity for their
1969 response or information;

1970 (iv) records that would disclose an outline or part of any audit survey plans or audit
1971 program; and

1972 (v) requests for audits, if disclosure would risk circumvention of an audit.

1973 (b) The provisions of Subsections ~~[(14)]~~ (15)(a)(i), (ii), and (iii) do not prohibit the
1974 disclosure of records or information that relate to a violation of the law by a governmental
1975 entity or employee to a government prosecutor or peace officer.

1976 (c) The provisions of this Subsection ~~[(14)]~~ (15) do not limit the authority otherwise
1977 given to the state auditor to classify a document as public, private, controlled, or protected
1978 under Title 63G, Chapter 2, Government Records Access and Management Act.

1979 ~~[(15)]~~ (16) If the state auditor conducts an audit of an entity that the state auditor has
1980 previously audited and finds that the entity has not implemented a recommendation made by
1981 the state auditor in a previous audit, the state auditor shall notify the Legislative Management
1982 Committee through its audit subcommittee that the entity has not implemented that
1983 recommendation.

1984 Section 31. Section **78B-2-216** is amended to read:

1985 **78B-2-216. Adverse possession of certain real property.**

1986 (1) As used in this section:

1987 (a) "Government entity" means a town, city, county, ~~[or]~~ metropolitan water district, or
1988 local district.

1989 (b) "Water facility" means any improvement or structure used, or intended to be used,

1990 to divert, convey, store, measure, or treat water.

1991 (2) Except as provided in Subsection (3), a person may not acquire by adverse
1992 possession, prescriptive use, or acquiescence any right in or title to any real property:

1993 (a) held by a government entity; and

1994 (b) designated for any present or future public use, including:

1995 (i) a street;

1996 (ii) a lane;

1997 (iii) an avenue;

1998 (iv) an alley;

1999 (v) a park;

2000 (vi) a public square;

2001 (vii) a water facility; or

2002 (viii) a water conveyance right-of-way or water conveyance corridor.

2003 (3) Notwithstanding Subsection (2) and subject to Subsection (4), a person may acquire
2004 title if:

2005 (a) a government entity sold, disposed of, or conveyed the right in, or title to, the real
2006 property to a purchaser for valuable consideration; and

2007 (b) the purchaser or the purchaser's grantees or successors in interest have been in
2008 exclusive, continuous, and adverse possession of the real property for at least seven
2009 consecutive years after the day on which the real property was sold, disposed of, or conveyed
2010 as described in Subsection (3)(a).

2011 (4) A person who acquires title under Subsection (3) is subject to all other applicable
2012 provisions of law.