

HB0429S01

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1

Special Districts Amendments
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Candice B. Pierucci
Senate Sponsor: Daniel McCay

General Description:

Highlighted Provisions:

- defines terms{~~, including the term "garbage disposal district";~~} and modifies definitions;

- ▶ modifies the process to conduct a feasibility study on withdrawal from a first responder district;

- ▶ prohibits a garbage disposal district from incurring debt, issuing bonds, or otherwise incurring a financial obligation for a period of time after the county or municipality initiates the process to withdraw from the garbage disposal district;

HB0429S01 compared with HB0429S02

15 ▶ authorizes a county or municipality and a garbage disposal district to enter into an agreement to
withdraw;

17 ▶ describes the requirements for a county or municipality to complete withdrawal from a garbage
disposal district absent an agreement, including:

- 19 • conducting a feasibility study;
- 20 • conducting a public hearing on the proposed withdrawal;
- 21 • providing notice of a public hearing on the proposed withdrawal; and
- 22 • adopting a resolution to withdraw;

23 ▶ {~~provides that property within a withdrawn area may continue to be taxable by the
garbage disposal district for purposes of paying the withdrawn area's proportionate share
of bonded indebtedness or judgments against the garbage disposal district, under certain
circumstances;~~}

27 ▶ {~~requires~~} modifies the {~~board of trustees of a garbage disposal district~~} process to file with
the lieutenant governor certain documents {~~after entering an agreement to withdraw or receiving a
resolution to withdraw~~} ;

30 ▶ describes the process to determine the effective date of a withdrawal; and

31 ▶ makes technical and conforming changes.

30 Money Appropriated in this Bill:

31 None

32 Other Special Clauses:

33 None

34 Utah Code Sections Affected:

35 AMENDS:

36 **17B-1-502 , as last amended by Laws of Utah 2025, First Special Session, Chapter 11**

37 **17B-1-504** , as last amended by Laws of Utah 2024, Chapter 388

38 **17B-1-505 , as last amended by Laws of Utah 2023, Chapter 15**

39 **17B-1-505.5 , as last amended by Laws of Utah 2023, Chapters 15, 435**

40 **17B-1-511** , as last amended by Laws of Utah 2024, Chapter 388

41 **17B-1-512** , as last amended by Laws of Utah 2025, Chapter 399

42 ENACTS:

43 **17B-1-505.7** , Utah Code Annotated 1953

HB0429S01 compared with HB0429S02

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

Section 1. Section 17B-1-502 is amended to read:

17B-1-502. Withdrawal of area from special district -- Automatic withdrawal in certain circumstances.

(1)

(a) An area within the boundaries of a special district may be withdrawn from the special district only as provided in this part or, if applicable, as provided in Chapter 2a, Part 11, Municipal Services District Act.

(b) Except as provided in Subsections (2) and (3), the inclusion of an area of a special district within a municipality because of a municipal incorporation under Title 10, Chapter 2a, Municipal Incorporation, a municipal annexation under Title 10, Chapter 2, Part 8, Annexation, or a boundary adjustment under Title 10, Chapter 2, Part 9, Municipal Boundary Adjustments, does not affect the requirements under this part for the process of withdrawing that area from the special district.

(2)

(a) An area within the boundaries of a special district is automatically withdrawn from the special district by the annexation of the area to a municipality under Title 10, Chapter 2, Part 8, Annexation, or the adding of the area to a municipality by boundary adjustment under Title 10, Chapter 2, Part 9, Municipal Boundary Adjustments, if:

(i) the special district provides:

(A) fire protection, paramedic, and emergency services; or

(B) law enforcement service;

(ii) an election for the creation of the special district was not required because of Subsection 17B-1-214(3)(d) or (g); and

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

(b) The effective date of a withdrawal under this Subsection (2) is governed by Subsection 17B-1-512(2)(b).

(3)

HB0429S01 compared with HB0429S02

- (a) Except as provided in Subsection (3)(c) or (d), an area within the boundaries of a special district located in a county of the first class is automatically withdrawn from the special district by the incorporation of a municipality whose boundaries include the area if:
- 76 (i) the special district provides municipal services, as defined in Section 17B-2a-1102, excluding
fire protection, paramedic, emergency, and law enforcement services;
- 78 (ii) an election for the creation of the special district was not required because of Subsection
17B-1-214(3)(g); and
- 80 (iii) the legislative body of the newly incorporated municipality:
- 81 (A) adopts a resolution no later than 180 days after the effective date of incorporation approving the
withdrawal that includes the legal description of the area to be withdrawn; and
- 84 (B) delivers a copy of the resolution to the board of trustees of the special district.
- 85 (b) The effective date of a withdrawal under this Subsection (3) is governed by Subsection
17B-1-512(2)(a).
- 87 (c) Section 17B-1-505 governs the withdrawal of an ~~[incorporated]~~ area within a county of the first
class if:
- 89 (i) the special district from which the area is withdrawn provides:
- 90 (A) fire protection, paramedic, and emergency services;
- 91 (B) law enforcement service; or
- 92 (C) municipal services, as defined in Section 17B-2a-1102;
- 93 (ii) an election for the creation of the special district was not required under Subsection 17B-1-214(3)
(d) or (g); and
- 95 (iii) for a special district that provides municipal services, as defined in Section 17B-2a-1102, excluding
fire protection, paramedic, emergency, and law enforcement services, the 180-day period described
in Subsection (3)(a)(iii)(A) is expired.
- 99 (d) An area may not be withdrawn from a special district that provides municipal services, as defined
in Section 17B-2a-1102, excluding fire protection, paramedic, emergency, and law enforcement
services, if the area is within a converted municipality, as defined in Section 10-1-201.5.

103 Section 2. Section **17B-1-504** is amended to read:

104 **17B-1-504. Initiation of withdrawal process -- Notice of petition.**

HB0429S01 compared with HB0429S02

(1) ~~{[Except as provided in Section 17B-1-505{ }]~~ ~~In addition to the procedures described in Sections 17B-1-505 and 17B-1-505.7~~, the process to withdraw an area from a special district may be initiated:

- 50 (a) for a special district funded predominantly by revenues from property taxes or service charges other
than those based upon acre-feet of water:
- 52 (i) by a petition signed by the owners of private real property that:
- 53 (A) is located within the area proposed to be withdrawn;
- 54 (B) covers at least 51% of the total private land within the area proposed to be withdrawn; and
- 56 (C) is equal in taxable value to at least 51% of the taxable value of all private real property within the
area proposed to be withdrawn;
- 58 (ii) by a petition signed by registered voters residing within the area proposed to be withdrawn equal in
number to at least 67% of the number of votes cast in the same area for the office of governor at the
last regular general election before the filing of the petition;
- 62 (iii) by a resolution adopted by the board of trustees of the special district in which the area proposed to
be withdrawn is located, which:
- 64 (A) states the reasons for withdrawal; and
- 65 (B) is accompanied by a general description of the area proposed to be withdrawn; or
- 67 (iv) by a resolution to file a petition with the special district to withdraw from the special district all or
a specified portion of the area within a municipality or county, adopted by the governing body of
a municipality that has within [its] municipal boundaries an area located within the boundaries of
a special district, or by the governing body of a county that has within [its] county boundaries an
area located within the boundaries of a special district that is located in more than one county, which
petition of the governing body shall be filed with the board of trustees only if a written request to
petition the board of trustees to withdraw an area from the special district has been filed with the
governing body of the municipality, or county, and the request has been signed by registered voters
residing within the boundaries of the area proposed for withdrawal equal in number to at least 51%
of the number of votes cast in the same area for the office of governor at the last regular general
election before the filing of the petition;
- 80 (b) for a special district whose board of trustees is elected by electors based on the acre-feet of water
allotted to the land owned by the elector:
- 82 (i) in the same manner as provided in Subsection (1)(a)(iii) or Subsection (1)(a)(iv); or

HB0429S01 compared with HB0429S02

- (ii) by a petition signed by the owners of at least 67% of the acre-feet of water allotted to the land proposed to be withdrawn;
- (c) for a special district funded predominantly by revenues other than property taxes, service charges, or assessments based upon an allotment of acre-feet of water:
- (i) in the same manner as provided in Subsection (1)(a)(iii) or Subsection (1)(a)(iv); or
- (ii) by a petition signed by the registered voters residing within the entire area proposed to be withdrawn, which area shall be comprised of an entire unincorporated area within the special district or an entire municipality within a special district, or a combination thereof, equal in number to at least 67% of the number of votes cast within the entire area proposed to be withdrawn for the office of governor at the last regular general election before the filing of the petition; or
- (d) for an infrastructure financing district, by a petition signed by 100% of the owners of all surface property within the area proposed to be withdrawn.
- (2)
- (a) ~~[Prior to]~~ Before soliciting any signatures on a petition under Subsection (1), the sponsors of the petition shall:
- (i) notify the special district board with which the petition is intended to be filed that the sponsors will be soliciting signatures for a petition; and
- (ii) mail a copy of the petition to the special district board.
- (b) Subsection (2)(a) does not apply to a petition to withdraw an area from an infrastructure financing district.

Section 3. Section 17B-1-505 is amended to read:

17B-1-505. Withdrawal from certain districts providing fire protection, paramedic, and emergency services or law enforcement service or municipal services.

(1) As used in this section[;] :

(a) "County" means all of the unincorporated land in a county of the first class, as classified under Section 17-60-104, that is entirely within the boundary of a first responder district.

(b) "Eligible area" means:

(i) all of the unincorporated land in a county of the first class, as classified under Section 17-60-104, that is entirely within the boundary of a first responder district; or

(ii) all of a municipality that is entirely within the boundary of a qualified district.

HB0429S01 compared with HB0429S02

(c) [~~"first"~~] "First responder district" means a special district, other than a municipal services district, that provides:

[~~(a)~~] (i) fire protection, paramedic, and emergency services; or

[~~(b)~~] (ii) law enforcement service.

(d) "Legislative body" means:

(i) for an eligible area that is wholly within a municipality, the municipal legislative body; and

(ii) for an eligible area that is all of the unincorporated land in a county, the county legislative body.

(e) "Municipal services district" means a municipal services district formed under Chapter 2a, Part 11, Municipal Services District Act.

(f) "Qualified district" means:

(i) a first responder district; or

(ii) a municipal services district.

(2) This section [~~applies to the~~] provides the sole method of withdrawal of:

(a) a municipality that is entirely within the boundary of a first responder district from the first responder district;

(b) a municipality that is entirely within the boundary of a municipal services district from the municipal services district; and

(c) [~~or municipal services district that was created without the necessity of an election because of Subsection 17B-1-214(3)(d) or (g)~~] a county from a first responder district.

(3)

(a) The process to withdraw a municipality from a first responder district or municipal services district, or a county from a first responder district, may be initiated by a resolution adopted by [~~the~~] a legislative body[~~of the municipality~~], subject to Subsection (3)(b).

(b) The legislative body of a municipality that is within a municipal services district may not adopt a resolution under Subsection (3)(a) to withdraw from the municipal services district unless the municipality has conducted a feasibility study in accordance with Section 17B-2a-1110.

(c) Within 10 days after adopting a resolution under Subsection (3)(a), the [~~municipal~~] legislative body shall submit to the board of trustees of the [~~first responder district or municipal services~~] qualified district written notice of the adoption of the resolution, accompanied by a copy of the resolution.

(4) If a resolution is adopted under Subsection (3)(a)[~~]~~ by the legislative body of a municipality within a municipal services district, the municipal legislative body shall hold an election at the next

HB0429S01 compared with HB0429S02

municipal general election that is more than [60] 180 days after adoption of the resolution on the question of whether the municipality should withdraw from the municipal services district.

(5)

(a) A municipality or county shall be withdrawn from a first responder district if:

(i) the legislative body [~~of the municipality~~] governing the municipality or county adopts a resolution initiating the withdrawal under Subsection (3)(a); and

(ii)

(A) [~~whether before or after the effective date of this section, the municipality~~] the legislative body of the municipality or county and the first responder district agree in writing to the withdrawal; or

(B) except as provided in Subsection (5)(b) and subject to Subsection (6), the voters [~~of the municipality~~] residing in the eligible area approve the withdrawal at an election held for that purpose.

(b) An election under Subsection (5)(a)(ii)(B) is not required if, after a feasibility study is conducted under Section 17B-1-505.5 and a public hearing is held under Subsection 17B-1-505.5(14), the [~~municipality~~] legislative body governing the eligible area and first responder district agree in writing to the withdrawal.

(6) An election under Subsection (5)(a)(ii)(B) may not be held unless:

(a) a feasibility study is conducted under Section 17B-1-505.5; and

(b)

(i) the feasibility study concludes that the withdrawal is functionally and financially feasible for the [~~municipality~~] eligible area and the first responder district; or

(ii)

(A) the feasibility study concludes that the withdrawal would be functionally and financially feasible for the [~~municipality~~] eligible area and the first responder district if conditions specified in the feasibility study are met; and

(B) the legislative body of the [~~municipality~~] eligible area adopts a resolution irrevocably committing the [~~municipality~~] eligible area to satisfying the conditions specified in the feasibility study, if the withdrawal is approved by the [~~municipality's~~] voters.

(7) If a majority of those voting on the question of withdrawal at an election held under Subsection [-](4) or (5)(a)(ii)(B) [-] vote in favor of withdrawal, the [~~municipality~~] eligible area shall be withdrawn from the [~~special~~] qualified district.

HB0429S01 compared with HB0429S02

(8)

(a) Within 10 days after the canvass of an election at which a withdrawal under this section is submitted to voters, the ~~[municipal]~~ legislative body shall send written notice to the board of the ~~[-first responder district or municipal services]~~ qualified district from which the ~~[municipality]~~ eligible area is proposed to withdraw.

(b) Each notice under Subsection (8)(a) shall:

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

(ii) if the withdrawal was approved by voters, be accompanied by a copy of an approved final local entity plat, as defined in Section 67-1a-6.5.

(9) The effective date of a withdrawal under this section is governed by ~~[Subsection 17B-1-512(2)(a)]~~ Section 17B-1-512.

Section 4. Section 17B-1-505.5 is amended to read:

17B-1-505.5. Feasibility study for withdrawal from a special district providing fire protection, paramedic, and emergency services or law enforcement service -- Notice of hearing.

(1) As used in this section:

(a) "Eligible area" means the same as that term is defined in Section 17B-1-505.

(b) "Feasibility consultant" means a person with expertise in:

(i) the processes and economics of local government; and

(ii) the economics of providing fire protection, paramedic, and emergency services or law enforcement service.

~~[(b)]~~ (c) "Feasibility study" means a study to determine the functional and financial feasibility of a municipality's withdrawal from a first responder special district.

~~[(c)]~~ (d) "First responder district" means ~~[a special district, other than a municipal services district, that provides:]~~

~~[(i) fire protection, paramedic, and emergency services; or]~~

~~[(ii) law enforcement service]~~ the same as that term is defined in Section 17B-1-505.

~~[(d)]~~ (e) "Withdrawing ~~[municipality]~~ entity" means:

(i) a municipality whose legislative body has adopted a resolution under Subsection 17B-1-505(3)(a) to initiate the process of the municipality's withdrawal from a first responder district~~[-]~~ ; or

HB0429S01 compared with HB0429S02

(ii) a county whose legislative body has adopted a resolution under Subsection 17B-1-505(3)(a) to initiate the process of withdrawing all unincorporated areas of the county from a first responder district.

(2) This section applies and a feasibility study shall be conducted, as provided in this section, if:

(a) the legislative body of a [municipality] withdrawing entity has adopted a resolution under Subsection 17B-1-505(3)(a) to initiate the process of the [municipality's-] withdrawal from a first responder district;

(b) the [municipality] withdrawing entity and first responder district have not agreed in writing to the withdrawal; and

(c) a feasibility study is a condition under Subsection 17B-1-505(6)(a) for an election to be held approving the withdrawal.

(3)

(a) As provided in this Subsection (3), the withdrawing [municipality] entity and first responder district shall choose and engage a feasibility consultant to conduct a feasibility study.

(b) The withdrawing [municipality] entity and first responder district shall jointly choose and engage a feasibility consultant according to applicable county, municipal, or special district procurement procedures.

(c)

(i) If the withdrawing [municipality] entity and first responder district cannot agree on and have not engaged a feasibility consultant under Subsection (3)(b) within 45 days after the legislative body of the withdrawing [municipality] entity submits written notice to the first responder district under Subsection 17B-1-505(3)(c), the withdrawing [municipality] entity and first responder district shall, as provided in this Subsection (3)(c), choose a feasibility consultant from a list of at least eight feasibility consultants provided by the Utah Association of Certified Public Accountants.

(ii) A list of feasibility consultants under Subsection (3)(c)(i) may not include a feasibility consultant that has had a contract to provide services to the withdrawing [municipality] entity or first responder district at any time during the two-year period immediately preceding the date the list is provided under Subsection (3)(c)(i).

(iii)

HB0429S01 compared with HB0429S02

- (A) Beginning with the first responder district, the first responder district and withdrawing [municipality] entity shall alternately eliminate one feasibility consultant each from the list of feasibility consultants until one feasibility consultant remains.
- 306 (B) Within five days after receiving the list of consultants from the Utah Association of Certified Public Accountants, the first responder district shall make the first elimination of a feasibility consultant from the list and notify the withdrawing [municipality] entity in writing of the elimination.
- 310 (C) After the first elimination of a feasibility consultant from the list, the withdrawing [municipality] entity and first responder district shall each, within three days after receiving the written notification of the preceding elimination, notify the other in writing of the elimination of a feasibility consultant from the list.
- 315 (d) If a withdrawing [municipality] entity and first responder district do not engage a feasibility consultant under Subsection (3)(b), the withdrawing [municipality] entity and first responder district shall engage the feasibility consultant that has not been eliminated from the list at the completion of the process described in Subsection (3)(c).
- 320 (4) A feasibility consultant that conducts a feasibility study under this section shall be independent of and unaffiliated with the withdrawing [municipality] entity and first responder district.
- 323 (5) In conducting a feasibility study under this section, the feasibility consultant shall consider:
- 325 (a) population and population density within the [~~withdrawing municipality~~] eligible area;
- 326 (b) current and five-year projections of demographics and economic base in the withdrawing [municipality] entity, including household size and income, commercial and industrial development, and public facilities;
- 329 (c) projected growth in the withdrawing [municipality] entity during the next five years;
- 330 (d) subject to Subsection (6)(a), the present and five-year projections of the cost, including overhead, of providing the same service in the withdrawing [municipality] entity as is provided by the first responder district, including:
- 333 (i) the estimated cost if the first responder district continues to provide service; and
- 334 (ii) the estimated cost if the withdrawing [municipality] entity provides service;
- 335 (e) subject to Subsection (6)(a), the present and five-year projections of the cost, including overhead, of the first responder district providing service with:
- 337 (i) the [municipality] eligible area included in the first responder district's service area; and
- 339 (ii) the withdrawing [municipality] entity excluded from the first responder district's service area;

HB0429S01 compared with HB0429S02

- 341 (f) a projection of any new taxes per household that may be levied within the withdrawing
[municipality] entity within five years after the withdrawal;
- 343 (g) the fiscal impact that the withdrawing [municipality's] entity's withdrawal has on other
municipalities and unincorporated areas served by the first responder district, including any rate
increase that may become necessary to maintain required coverage ratios for the first responder
district's debt;
- 347 (h) the physical and other assets that will be required by the withdrawing [municipality] entity to
provide, without interruption or diminution of service, the same service that is being provided by the
first responder district;
- 350 (i) the physical and other assets that will no longer be required by the first responder district to continue
to provide the current level of service to the remainder of the first responder district, excluding the
withdrawing [municipality] entity, and could be transferred to the withdrawing [municipality] entity;
- 354 (j) subject to Subsection (6)(b), a fair and equitable allocation of the first responder district's assets
between the first responder district and the withdrawing [municipality] entity, effective upon the
withdrawal of the withdrawing [municipality] entity from the first responder district;
- 358 (k) a fair and equitable allocation of the debts, liabilities, and obligations of the first responder
district and any local building authority of the first responder district, between the withdrawing
[municipality] entity and the remaining first responder district, taking into consideration:
- 362 (i) any requirement to maintain the excludability of interest from the income of the holder of the debt,
liability, or obligation for federal income tax purposes; and
- 364 (ii) any first responder district assets that have been purchased with the proceeds of bonds issued by the
first responder district that the first responder district will retain and any of those assets that will be
transferred to the withdrawing [municipality] entity;
- 368 (l) the number and classification of first responder district employees who will no longer be
required to serve the remaining portions of the first responder district after the withdrawing
[municipality] entity withdraws from the first responder district, including the dollar amount of
the wages, salaries, and benefits attributable to the employees and the estimated cost associated
with termination of the employees if the withdrawing [municipality] entity does not employ the
employees;

374

HB0429S01 compared with HB0429S02

- (m) maintaining as a base, for a period of three years after withdrawal, the existing schedule of pay and benefits for first responder district employees who are transferred to the employment of the withdrawing [municipality] entity; and
- 377 (n) any other factor that the feasibility consultant considers relevant to the question of the withdrawing
[municipality's] entity's withdrawal from the first responder district.
- 379 (6)
- (a) For purposes of Subsections (5)(d) and (e):
- 380 (i) the feasibility consultant shall assume a level and quality of service to be provided in the
future to the withdrawing [municipality] entity that fairly and reasonably approximates
the level and quality of service that the first responder district provides to the withdrawing
[municipality] entity at the time of the feasibility study;
- 385 (ii) in determining the present value cost of a service that the first responder district provides, the
feasibility consultant shall consider:
- 387 (A) the cost to the withdrawing [municipality] entity of providing the service for the first five years
after the withdrawal; and
- 389 (B) the first responder district's present and five-year projected cost of providing the same service
within the withdrawing [municipality] entity; and
- 391 (iii) the feasibility consultant shall consider inflation and anticipated growth in calculating the cost
of providing service.
- 393 (b) The feasibility consultant may not consider an allocation of first responder district assets or a
transfer of first responder district employees to the extent that the allocation or transfer would
impair the first responder district's ability to continue to provide the current level of service to the
remainder of the first responder district without the withdrawing [municipality] entity, unless the
first responder district consents to the allocation or transfer.
- 399 (7) A feasibility consultant may retain an architect, engineer, or other professional, as the
feasibility consultant considers prudent and as provided in the agreement with the withdrawing
[municipality] entity and first responder district, to assist the feasibility consultant to conduct a
feasibility study.
- 403 (8) The withdrawing [municipality] entity and first responder district shall require the feasibility
consultant to:
- 405

HB0429S01 compared with HB0429S02

- (a) complete the feasibility study within a time established by the withdrawing [municipality] entity and first responder district;
- 407 (b) prepare and submit a written report communicating the results of the feasibility study, including a one-page summary of the results; and
- 409 (c) attend all public hearings relating to the feasibility study under Subsection (14).
- 410 (9) A written report of the results of a feasibility study under this section shall:
- 411 (a) contain a recommendation concerning whether a withdrawing [municipality's] entity's withdrawal from a first responder district is functionally and financially feasible for both the first responder district and the withdrawing [municipality] entity; and
- 414 (b) include any conditions the feasibility consultant determines need to be satisfied in order to make the withdrawal functionally and financially feasible, including:
- 416 (i) first responder district assets and liabilities to be allocated to the withdrawing [municipality] entity; and
- 418 (ii)
- (A) first responder district employees to become employees of the withdrawing [municipality] entity; and
- 420 (B) sick leave, vacation, and other accrued benefits and obligations relating to the first responder district employees that the withdrawing [municipality] entity needs to assume.
- 423 (10) The withdrawing [municipality] entity and first responder district shall equally share the feasibility consultant's fees and costs, as specified in the agreement between the withdrawing [municipality] entity and first responder district and the feasibility consultant.
- 427 (11)
- (a) Upon completion of the feasibility study and preparation of a written report, the feasibility consultant shall deliver a copy of the report to the withdrawing [municipality] entity and first responder district.
- 430 (b)
- (i) A withdrawing [municipality] entity or first responder district that disagrees with any aspect of a feasibility study report may, within 20 business days after receiving a copy of the report under Subsection (11)(a), submit to the feasibility consultant a written objection detailing the disagreement.
- 434 (ii)

HB0429S01 compared with HB0429S02

(A) A withdrawing [municipality] entity that submits a written objection under Subsection (11)(b)(i) shall simultaneously deliver a copy of the objection to the first responder district.

(B) A first responder district that submits a written objection under Subsection (11)(b)(i) shall simultaneously deliver a copy of the objection to the withdrawing [municipality] entity.

(iii) A withdrawing [municipality] entity or first responder district may, within 10 business days after receiving an objection under Subsection (11)(b)(ii), submit to the feasibility consultant a written response to the objection.

(iv)

(A) A withdrawing [municipality] entity that submits a response under Subsection (11)(b)(iii) shall simultaneously deliver a copy of the response to the first responder district.

(B) A first responder district that submits a response under Subsection (11)(b)(iii) shall simultaneously deliver a copy of the response to the withdrawing [municipality] entity.

(v) If an objection is filed under Subsection (11)(b)(i), the feasibility consultant shall, within 20 business days after the expiration of the deadline under Subsection (11)(b)(iii) for submitting a response to an objection:

(A) modify the feasibility study report or explain in writing why the feasibility consultant is not modifying the feasibility study report; and

(B) deliver the modified feasibility study report or written explanation to the withdrawing [municipality] entity and first responder special district.

(12) Within seven days after the expiration of the deadline under Subsection (11)(b)(i) for submitting an objection or, if an objection is submitted, within seven days after receiving a modified feasibility study report or written explanation under Subsection (11)(b)(v), but at least 30 days before a public hearing under Subsection (14), the withdrawing [municipality] entity shall:

(a) make a copy of the report available to the public at the primary office of the withdrawing [municipality] entity; and

(b) if the withdrawing [municipality] entity has a website, post a copy of the report on the [municipality's] entity's website.

(13) A feasibility study report or, if a feasibility study report is modified under Subsection (11), a modified feasibility study report may not be challenged unless the basis of the challenge is that the report results from collusion or fraud.

(14)

HB0429S01 compared with HB0429S02

- (a) Following the expiration of the deadline under Subsection (11)(b)(i) for submitting an objection, or, if an objection is submitted under Subsection (11)(b)(i), following the withdrawing [municipality's] entity's receipt of the modified feasibility study report or written explanation under Subsection (11)(b)(v), the legislative body of the withdrawing [municipality] entity shall, at the legislative body's next regular meeting, schedule at least one public hearing to be held:
- 474 (i) within the following 60 days; and
 - 475 (ii) for the purpose of allowing:
 - 476 (A) the feasibility consultant to present the results of the feasibility study; and
 - 477 (B) the public to become informed about the feasibility study results, to ask the feasibility consultant questions about the feasibility study, and to express the public's views about the proposed withdrawal.
 - 480 (b) At a public hearing under Subsection (14)(a), the legislative body of the withdrawing [municipality] entity shall:
 - 482 (i) provide a copy of the feasibility study for public review; and
 - 483 (ii) allow the public to:
 - 484 (A) ask the feasibility consultant questions about the feasibility study; and
 - 485 (B) express the public's views about the withdrawing [municipality's] entity's proposed withdrawal from the first responder district.
 - 487 (15)
 - (a) The clerk or recorder of the withdrawing [municipality] entity shall publish notice of a hearing under Subsection (14) for the withdrawing [municipality] entity, as a class A notice under Section 63G-30-102, for three consecutive weeks immediately before the public hearing.
 - 491 (b) A notice under Subsection (15)(a) shall state:
 - 492 (i) the date, time, and location of the public hearing; and
 - 493 (ii) that a copy of the feasibility study report may be obtained, free of charge, at the office of the withdrawing [municipality] entity or on the withdrawing [municipality's] entity's website.
 - 496 (16) Unless the withdrawing [municipality] entity and first responder district agree otherwise, conditions that a feasibility study report indicates are necessary to be met for a withdrawal to be functionally and financially feasible for the withdrawing [municipality] entity and first responder district are binding on the withdrawing [municipality] entity and first responder district if the withdrawal occurs.

HB0429S01 compared with HB0429S02

Section 5. Section 5 is enacted to read:

17B-1-505.7. Withdrawal from certain districts providing garbage collection and disposal.

(1) As used in this section:

(a) "Feasibility consultant" means a person with expertise in:

(i) the processes and economics of local government; and

(ii) the economics of providing municipal services to an area, including garbage service.

(b) "Feasibility study" means a study to determine the functional and financial feasibility of withdrawing an area from a garbage disposal district.

(c)

(i) "Garbage disposal district" means a special or local district that was created to provide garbage collection and disposal to counties or municipalities.

(ii) "Garbage disposal district" includes special districts reorganized from a local district, as described in Section 17D-1-604.

(d)

(i) "Incur a financial obligation" means an action that increases the annual budget of a district beyond what would be expected after taking population growth or inflation into account.

(ii) "Incur a financial obligation" does not mean the continuation of day-to-day district operations, including:

(A) the payment of salaries and benefits;

(B) implementing previously budgeted cost-of-living wage increases;

(C) hiring a new employee to fulfill the duties of an individual who leaves employment with the district;
or

(D) purchasing necessary supplies under the same general terms and at the same general rate the organization historically purchased the supplies.

(e) "Resolution to withdraw" means a resolution adopted by the legislative body of a withdrawing entity describing the area within the withdrawing entity that shall be removed from the boundaries of a garbage disposal district.

(f) "Withdrawing entity" means:

(i) a county of the first class, as classified under Section 17-60-104, that initiates the process to withdraw the unincorporated areas of the county from the garbage disposal district as described in this section; or

HB0429S01 compared with HB0429S02

- 138 (ii) a municipality located in a county of the first class, as classified under Section 17-60-104, that
initiates the process to withdraw the municipality from the garbage disposal district as described in
this section.
- 141 (2)
- (a) In addition to procedures described in Section 17B-1-504, the process to withdraw an area from
a garbage disposal district may be initiated by a county or municipal legislative body adopting a
notice of intent to withdraw as described in this section.
- 144 (b) The notice in Subsection (2)(a) shall include:
- 145 (i) a statement that the county or municipality intends to withdraw from the garbage disposal district;
- 147 (ii) a description or map of the area proposed to be withdrawn; and
- 148 (iii) notice that the county or municipality intends to conduct a feasibility study in accordance with this
section if the withdrawing entity and garbage disposal district do not agree to the withdrawal as
described in Subsection (3).
- 151 (c) Within 10 days after adopting the notice in Subsection (2)(a), the legislative body shall submit a
copy of the notice to the garbage disposal district's board of trustees.
- 153 (d) Upon receiving the notice described in Subsection (2)(c), the garbage disposal district may not incur
debt, issue bonds, or otherwise incur a financial obligation until the earlier of:
- 156 (i) the day on which:
- 157 (A) the initiated withdrawal is finalized; or
- 158 (B) the legislative body rescinds the notice of intent to withdraw as described in Subsection (8); or
- 160 (ii) one year from the day on which the garbage disposal district receives the notice described in
Subsection (2)(c).
- 162 (3) A feasibility study under this section is not required if, within 30 days of the day on which the
garbage disposal district receives notice under Subsection (2)(c), the withdrawing entity and the
garbage disposal district:
- 165 (a) agree in writing to the withdrawal; and
- 166 (b) enter into a written agreement establishing the terms of the withdrawal.
- 167 (4)
- (a) The withdrawing entity shall select a feasibility consultant in accordance with applicable county or
municipal procurement procedures.
- 169 (b) Upon retaining a feasibility consultant, the legislative body shall require the feasibility consultant to:

HB0429S01 compared with HB0429S02

- 171 (i) complete the feasibility study and written report:
172 (A) as described in Subsection (5); and
173 (B) within 90 days; and
174 (ii) attend any public hearing the legislative body holds as described in Subsection (6).
175 (5)
(a) The feasibility study shall consider:
176 (i) the physical and other assets that will be required by the withdrawing entity to provide, without
interruption or diminution of service, the same service that is being provided by the garbage
disposal district;
179 (ii) the physical and other assets that will no longer be required by the garbage disposal district to
continue to provide the current level of service to the remainder of the garbage disposal district,
excluding the withdrawing entity, and could be transferred to the withdrawing entity;
183 (iii) a fair and equitable allocation of the garbage disposal district's assets between the garbage
disposal district and the withdrawing entity, effective upon the withdrawal of the withdrawing
entity from the garbage disposal district;
186 (iv) a fair and equitable allocation of the debts, liabilities, and obligations of the garbage
disposal district and any local building authority of the garbage disposal district, between the
withdrawing entity and the remaining garbage disposal district, taking into consideration:
190 (A) any requirement to maintain the excludability of interest from the income of the holder of the debt,
liability, or obligation for federal income tax purposes; and
193 (B) any garbage disposal district assets that have been purchased with the proceeds of bonds issued by
the garbage disposal district that the garbage disposal district will retain and any assets that will be
transferred to the withdrawing entity;
197 (v) the number and classification of garbage disposal district employees who will no longer be
required to serve the remaining portions of the garbage disposal district after the withdrawing
entity withdraws from the garbage disposal district, including the dollar amount of the wages,
salaries, and benefits attributable to the employees and the estimated cost associated with
termination of the employees if the withdrawing entity does not employ the employees; and
203 (vi) any other factor that the feasibility consultant considers relevant to the question of the
withdrawing entity's withdrawal from the garbage disposal district.
205 (b) A written report of the results of a feasibility study shall:

HB0429S01 compared with HB0429S02

- 206 (i) contain a recommendation concerning whether a withdrawing entity's withdrawal from a garbage
disposal district is functionally and financially feasible for the withdrawing entity;
- 209 (ii) include any conditions the feasibility consultant determines need to be satisfied in order to make the
withdrawal functionally and financially feasible, including the garbage disposal district assets and
liabilities to be allocated to the withdrawing entity;
- 213 (iii) include a one-page summary of the feasibility study, the recommendation described in Subsection
(5)(b)(i), and any conditions described in Subsection (5)(b)(ii) in terms that the average member of
the public can understand; and
- 216 (iv) be sent to:
- 217 (A) the board of trustees of the garbage disposal district; and
- 218 (B) the legislative body that adopted the notice of intent to withdraw under Subsection (2).
- 220 (6)
- (a) If upon receipt of the written report described in Subsection (5)(b), the withdrawing entity
determines that the results of the feasibility study are favorable and any identified conditions are
acceptable to the withdrawing entity, the legislative body shall hold at least one public hearing:
- 224 (i) within 60 days of the day on which the written report is sent to the board of trustees and the
legislative body, as described in Subsection (5)(b); and
- 226 (ii) for the purpose of allowing:
- 227 (A) the feasibility consultant to present the results of the feasibility study; and
- 228 (B) the public to become informed about the feasibility study results, pose questions to the feasibility
consultant, and make public comment.
- 230 (b) At a public hearing described in this Subsection (6), the legislative body shall:
- 231 (i) provide a copy of the feasibility study for public review;
- 232 (ii) ensure that the presentation includes a description of any conditions the feasibility consultant
identifies as necessary to make the withdrawal functional and financially feasible, as described in
Subsection (5)(b); and
- 235 (iii) allow members of the public and representatives from the garbage disposal district's board of
trustees to make public comment about the proposed withdrawal.
- 237 (7)

HB0429S01 compared with HB0429S02

(a) The county or municipality shall publish notice of the public hearing required under Subsection (6), and any additional public hearing in which the issue of withdrawal or the feasibility study results are discussed, for the county or municipality:

(i) as a class A notice under Section 63G-30-102; and

(ii) for at least two weeks before the day of the public hearing.

(b) The notice described in Subsection (7)(a) shall:

(i) be sent to the garbage disposal district's board of trustees;

(ii) include the summary described in Subsection (5)(b)(iii); and

(iii) indicate that a full copy of the feasibility study is available for inspection and copying at the office of the county clerk or municipal clerk or recorder.

(8) The withdrawing entity's legislative body shall notify the garbage disposal district's board of trustees that the legislative body is rescinding the notice of intent to withdraw:

(a) if, upon receipt of the written report described in Subsection (5)(b), the withdrawing entity determines the results of the feasibility study are not favorable to the withdrawing entity or that any identified conditions are not acceptable to the withdrawing entity;

(b) if, after a public hearing described in Subsection (6), the legislative body fails to or elects not to adopt a resolution to withdraw as described in Subsection (9); or

(c) if the legislative body determines, for whatever reason and at any time before the legislative body adopts a resolution to withdraw as described in Subsection (9), that withdrawal is no longer in the best interest of the county or municipality.

(9)

(a) The withdrawing entity's legislative body may adopt a resolution to withdraw at a public meeting:

(i) after a public hearing described in Subsection (6); and

(ii) no later than 60 days after the day on which the last public hearing described in Subsection (6) is held.

(b) A resolution to withdraw shall establish the terms of the withdrawal, including the withdrawing entity's agreement to comply with any conditions included in the feasibility study report.

(c) Upon adopting a resolution to withdraw, the legislative body shall notify the garbage disposal district's board of trustees of the resolution to withdraw.

{(10) }

HB0429S01 compared with HB0429S02

(a){(10)} The withdrawal of a county or municipality from a garbage disposal district as described in Subsection (9) does not require the approval of the garbage disposal district's board of trustees.

(11)

(a) Within 10 days of the day on which a withdrawing entity and garbage disposal district enter into an agreement to withdraw under Subsection (3) or a legislative body adopts a resolution to withdraw under Subsection (9), the withdrawing entity shall file with the lieutenant governor a copy of:

(i) the notice of an impending boundary action, as defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and

(ii) an approved final local entity plat, as defined in Section 67-1a-6.5.

(b) Upon the lieutenant governor's issuance of a certificate of withdrawal under Section 67-1a-6.5, the withdrawing entity shall submit to the county recorder the original:

(i) notice of impending boundary action, as defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3);

(ii) approved final local entity plat, as defined in Section 67-1a-6.5; and

(iii) certificate of withdrawal.

(b){(12)} {The effective date of a} A withdrawal under this section is {governed by Subsection 17B-1-512(2)(a)} effective the day on which the lieutenant governor issues a certificate of withdrawal under Section 67-1a-6.5.

Section 6. Section **17B-1-511** is amended to read:

17B-1-511. Continuation of tax levy or assessment after withdrawal to pay for proportionate share of district bonds.

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

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

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

HB0429S01 compared with HB0429S02

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

- 289 (2) For a special district funded predominately by revenues other than property taxes, service charges,
or assessments based upon an allotment of acre-feet of water, property within the withdrawn area
shall continue to be taxable by the special district for purposes of paying the withdrawn area's
proportionate share of bonded indebtedness or judgments against the special district incurred [~~prior~~
to] before:
- 294 (a) the date the petition was filed[-] ; or
- 295 (b) the date the garbage disposal district's board of trustees received the notice of intent to withdraw
under Section 17B-1-505.7.
- 297 (3) An area withdrawn from an infrastructure financing district remains subject to any taxes, fees,
and assessments imposed by the infrastructure financing district until obligations allocable to the
withdrawn area are paid.
- 300 (4) Except as provided in Subsections (1), (2), and (3), upon withdrawal, the withdrawing area is
relieved of all other taxes, assessments, and charges levied by the district, including taxes and
charges for the payment of revenue bonds and maintenance and operation cost of the special district.

712 Section 7. Section **17B-1-512** is amended to read:

713 **17B-1-512. Filing of notice and plat -- Recording requirements -- Contest period -- Judicial**
review.

307 (1)

(a) Within the time specified in Subsection (1)(b), the board of trustees shall file with the lieutenant
governor:

309 (i) a copy of a notice of an impending boundary action, as defined in Section 67-1a-6.5, that meets
the requirements of Subsection 67-1a-6.5(3); and

311 (ii) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5.

312 (b) The board of trustees shall file the documents listed in Subsection (1)(a):

313 (i) within 10 days after adopting a resolution approving a withdrawal under Section 17B-1-510;

315 (ii) on or before January 31 of the year following:

316 (A) the board of trustees' receipt of a notice or copy described in Subsection [(1)(c)] (1)(c)(i), if the
board of trustees receives the notice or copy [~~between July 1 and December 31~~] on or after July 1
and before January 1; or

HB0429S01 compared with HB0429S02

- 319 (B) the board of trustees entering into an agreement described in Subsection (1)(c)(ii), if the agreement
326 is executed by both parties on or after July 1 and before January 1; {or} and
- 322 (iii) on or before the July 31 following:
- 323 (A) the board of trustees' receipt of a notice or copy described in Subsection [(1)(e)] (1)(c)(i), if the
board of trustees receives the notice or copy [between January 1 and June 30] on or after January 1
and before June 30; or
- 326 (B) the board of trustees entering into an agreement described in Subsection (1)(c)(ii), if the agreement
is executed by both parties on or after January 1 and before June 30.
- 329 (c) The board of trustees shall comply with the requirements described in Subsection (1)(b)(ii) or (iii)
after:
- 331 (i) receiving:
- 332 (A) {a} notice under Subsection 10-2-813(2) of an automatic withdrawal under Subsection
17B-1-502(2);
- 334 (B) a copy of the municipal legislative body's resolution approving an automatic withdrawal under
Subsection 17B-1-502(3)(a);{f or}
- 336 (C) a notice of a withdrawal of a municipality from a special district under Section 17B-1-502; or
338 {(D) notice of a resolution to withdraw under Section 17B-1-505.7; or}
- 339 (ii) entering into an agreement{:
- 340 {(A)} with a municipality or county under Subsection 17B-1-505(5)(a)(ii)(A) or (5)(b){};or
341 {(B)} with a withdrawing entity under Subsection 17B-1-505.7(3)}.
- 342 (d) Upon the lieutenant governor's issuance of a certificate of withdrawal under Section 67-1a-6.5, the
board shall:
- 344 (i) if the withdrawn area is located within the boundary of a single county, submit to the recorder of that
county:
- 346 (A) the original:
- 347 (I) notice of an impending boundary action;
- 348 (II) certificate of withdrawal; and
- 349 (III) approved final local entity plat; and
- 350 (B) if applicable, a certified copy of the resolution or notice referred to in Subsection (1)(b); or
- 352 (ii) if the withdrawn area is located within the boundaries of more than a single county, submit:
- 354

HB0429S01 compared with HB0429S02

(A) the original of the documents listed in Subsections (1)(d)(i)(A)(I), (II), and (III) and, if applicable, a certified copy of the resolution or notice referred to in Subsection (1)(b) to one of those counties; and

(B) a certified copy of the documents listed in Subsections (1)(d)(i)(A)(I), (II), and (III) and a certified copy of the resolution or notice referred to in Subsection (1)(b) to each other county.

(2) A withdrawal shall be effective, subject to the conditions of the withdrawal resolution, if applicable, upon the lieutenant governor's issuance of the certificate of withdrawal under Section 67-1a-6.5, for:

(a) a withdrawal under Section {17B-1-501} 17B-1-510;

(b) an automatic withdrawal under Subsection 17B-1-502(3);or

(c) the withdrawal of {a municipality} an eligible area from a {special} district under Section 17B-1-505{;or}.

[(2)]

(a)

{(d)} {the withdrawal of a county or a municipality from a garbage disposal district under Section 17B-1-505.7.}

{(a)} Upon the lieutenant governor's issuance of the certificate of withdrawal under Section 67-1a-6.5 for a withdrawal under Section 17B-1-510, for an automatic withdrawal under Subsection 17B-1-502(3), or for the withdrawal of a municipality from a special district under Section 17B-1-505, the withdrawal shall be effective, subject to the conditions of the withdrawal resolution, if applicable.]

[(b) An automatic withdrawal under Subsection 17B-1-502(3) shall be effective upon the lieutenant governor's issuance of a certificate of withdrawal under Section 67-1a-6.5.]

(3)

(a) The special district may provide for the publication of any resolution approving or denying the withdrawal of an area:

(i) in a newspaper of general circulation in the area proposed for withdrawal; and

(ii) as required in Section 45-1-101.

(b) In lieu of publishing the entire resolution, the special district may publish a notice of withdrawal or denial of withdrawal, containing:

(i) the name of the special district;

(ii) a description of the area proposed for withdrawal;

HB0429S01 compared with HB0429S02

- 384 (iii) a brief explanation of the grounds on which the board of trustees determined to approve or deny the
withdrawal; and
- 386 (iv) the times and place where a copy of the resolution may be examined, which shall be at the place of
business of the special district, identified in the notice, during regular business hours of the special
district as described in the notice and for a period of at least 30 days after the publication of the
notice.
- 390 (4) Any sponsor of the petition or receiving entity may contest the board's decision to deny a
withdrawal of an area from the special district by submitting a request, within 60 days after the
resolution is adopted under Section 17B-1-510, to the board of trustees, suggesting terms or
conditions to mitigate or eliminate the conditions upon which the board of trustees based [its] the
board's decision to deny the withdrawal.
- 395 (5) Within 60 days after the request under Subsection (4) is submitted to the board of trustees, the board
may consider the suggestions for mitigation and adopt a resolution approving or denying the request
in the same manner as provided in Section 17B-1-510 with respect to the original resolution denying
the withdrawal and file a notice of the action as provided in Subsection (1).
- 400 (6)
- (a) Any person in interest may seek judicial review of:
- 401 (i) the board of trustees' decision to withdraw an area from the special district;
- 402 (ii) the terms and conditions of a withdrawal approved under Section 17B-1-510 or Subsection (5);
or
- 404 (iii) the board's decision to deny a withdrawal.
- 405 (b) Judicial review under this Subsection (6) shall be initiated by filing an action in the district court in
the county in which a majority of the area proposed to be withdrawn is located:
- 408 (i) if the resolution approving or denying the withdrawal is published under Subsection (3), within 60
days after the publication or after the board of trustees' denial of the request under Subsection (5);
- 411 (ii) if the resolution is not published pursuant to Subsection (3), within 60 days after the resolution
approving or denying the withdrawal is adopted; or
- 413 (iii) if a request is submitted to the board of trustees of a special district under Subsection (4), and the
board adopts a resolution under Subsection (5), within 60 days after the board adopts a resolution
under Subsection (5) unless the resolution is published under Subsection (3), in which event the
action shall be filed within 60 days after the publication.

HB0429S01 compared with HB0429S02

- 418 (c) A court in which an action is filed under this Subsection (6) may not overturn, in whole or in part,
the board of trustees' decision to approve or reject the withdrawal unless:
- 421 (i) the court finds the board of trustees' decision to be arbitrary or capricious; or
- 422 (ii) the court finds that the board materially failed to follow the procedures set forth in this part.
- 424 (d) A court may award costs and expenses of an action under this section, including reasonable attorney
fees, to the prevailing party.
- 426 (7) After the applicable contest period under Subsection (4) or (6), no person may contest the board of
trustees' approval or denial of withdrawal for any cause.

832 Section 8. **Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

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