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Special Districts Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Candice B. Pierucci

Senate Sponsor:

2

LONG TITLE

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General Description:

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This bill addresses withdrawal of a county or municipality from a special district under certain circumstances.

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Highlighted Provisions:

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This bill:

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- ▶ defines terms, including the terms "law enforcement district" and "garbage disposal district";

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- ▶ creates a process for a county of the first class to initiate and complete withdrawal from a law enforcement district;

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- ▶ creates a process for a county or municipality to initiate withdrawal from a garbage disposal district;

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- ▶ 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;

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

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

- conducting a feasibility study;

- conducting a public hearing on the proposed withdrawal;

- providing notice of a public hearing on the proposed withdrawal; and

- adopting a resolution to withdraw;

- ▶ provides that property within a withdrawn area may continue to be taxable by the garbage disposal district for purposes of paying the withdrawn area's proportionate share of bonded indebtedness or judgments against the garbage disposal district, under certain circumstances;

- ▶ requires the board of trustees of a law enforcement district to file with the lieutenant

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31 governor certain documents after receiving a final withdrawal resolution from a county
32 legislative body;

33 ▶ requires the board of trustees of a garbage disposal district to file with the lieutenant
34 governor certain documents after entering an agreement to withdraw or receiving a
35 resolution to withdraw;

36 ▶ describes the process to determine the effective date of a withdrawal; and
37 ▶ makes technical and conforming changes.

38 **Money Appropriated in this Bill:**

39 None

40 **Other Special Clauses:**

41 None

42 **Utah Code Sections Affected:**

43 AMENDS:

44 **17B-1-504**, as last amended by Laws of Utah 2024, Chapter 388

45 **17B-1-511**, as last amended by Laws of Utah 2024, Chapter 388

46 **17B-1-512**, as last amended by Laws of Utah 2025, Chapter 399

47 ENACTS:

48 **17B-1-505.1**, Utah Code Annotated 1953

49 **17B-1-505.7**, Utah Code Annotated 1953

50

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

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

53 **17B-1-504 . Initiation of withdrawal process -- Notice of petition.**

54 (1) [Except as provided in Section 17B-1-505] In addition to the procedures described in
55 Sections 17B-1-505, 17B-1-505.1, and 17B-1-505.7, the process to withdraw an area
56 from a special district may be initiated:

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

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

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

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

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

- (ii) by a petition signed by registered voters residing within the area proposed to be withdrawn equal in number to at least 67% of the number of votes cast in the same area for the office of governor at the last regular general election before the filing of the petition;
- (iii) by a resolution adopted by the board of trustees of the special district in which the area proposed to be withdrawn is located, which:
 - (A) states the reasons for withdrawal; and
 - (B) is accompanied by a general description of the area proposed to be withdrawn; or
- (iv) by a resolution to file a petition with the 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; 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:
 - (i) in the same manner as provided in Subsection (1)(a)(iii) or Subsection (1)(a)(iv); or
 - (ii) by a petition signed by the owners of at least 67% of the acre-feet of water allotted to the land proposed to be withdrawn;
- 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

99 unincorporated area within the special district or an entire municipality within a
100 special district, or a combination thereof, equal in number to at least 67% of the
101 number of votes cast within the entire area proposed to be withdrawn for the
102 office of governor at the last regular general election before the filing of the
103 petition; or

104 (d) for an infrastructure financing district, by a petition signed by 100% of the owners of
105 all surface property within the area proposed to be withdrawn.

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

108 (i) notify the special district board with which the petition is intended to be filed that
109 the sponsors will be soliciting signatures for a petition; and
110 (ii) mail a copy of the petition to the special district board.

111 (b) Subsection (2)(a) does not apply to a petition to withdraw an area from an
112 infrastructure financing district.

113 Section 2. Section **17B-1-505.1** is enacted to read:

114 **17B-1-505.1 . Withdrawal of a county from certain districts providing law**

115 **enforcement services.**

116 (1) As used in this section:

117 (a) "Eligible county" means a county of the first class, as classified under Section
118 17-60-104.

119 (b) "Law enforcement district" means a special district, other than a municipal services
120 district, that provides law enforcement service.

121 (2) This section applies only to the withdrawal of an unincorporated area:

122 (a) in an eligible county; and

123 (b) that is located entirely within the boundary of a law enforcement service area that
124 was created without an election, as provided in Subsection 17B-1-214(3).

125 (3) In addition to the procedures described in Section 17B-1-504, the legislative body of an
126 eligible county may withdraw an unincorporated area from a law enforcement district by:

127 (a) adopting an initial resolution in a public meeting that:

128 (i) initiates the withdrawal process described in this section; and

129 (ii) describes:

130 (A) the unincorporated area or areas proposed for withdrawal; and

131 (B) the rationale supporting withdrawal;

132 (b) providing notice of the county's proposed withdrawal:

167 described in this section does not require the approval of the district's board of
168 trustees.

169 (b) The effective date of a withdrawal under this section is governed by Subsection
170 17B-1-512(2)(a).

171 Section 3. Section **17B-1-505.7** is enacted to read:

172 **17B-1-505.7 . Withdrawal from certain districts providing garbage collection and**
173 **disposal.**

174 (1) As used in this section:

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

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

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

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

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

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

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

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

190 (A) the payment of salaries and benefits;

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

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

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

196 (e) "Resolution to withdraw" means a resolution adopted by the legislative body of a
197 municipality or county describing the area within the county or municipality that
198 shall be removed from the boundaries of a garbage disposal district.

199 (f) "Withdrawing entity" means:

200 (i) the county that initiates the process to withdraw the unincorporated areas of the

county from the garbage disposal district as described in this section; or

(ii) the municipality that initiates the process to withdraw the municipality from the garbage disposal district as described in this section.

(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.

(b) The notice in Subsection (2)(a) shall include:

(i) a statement that the county or municipality intends to withdraw from the garbage disposal district;

(ii) a description or map of the area proposed to be withdrawn; and

(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).

(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.

(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:

(i) the day on which:

(A) the initiated withdrawal is finalized; or

(B) the legislative body rescinds the notice of intent to withdraw as described in Subsection (8); or

(ii) one year from the day on which the garbage disposal district receives the notice described in Subsection (2)(c).

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:

(a) agree in writing to the withdrawal; and

(b) enter into a written agreement establishing the terms of the withdrawal.

(4)(a) The withdrawing entity shall select a feasibility consultant in accordance with applicable county or municipal procurement procedures.

(b) Upon retaining a feasibility consultant, the legislative body shall require the feasibility consultant to:

(j) complete the feasibility study and written report;

235 (A) as described in Subsection (5); and

236 (B) within 90 days; and

237 (ii) attend any public hearing the legislative body holds as described in Subsection (6).

238 (5)(a) The feasibility study shall consider:

239 (i) the physical and other assets that will be required by the withdrawing entity to
240 provide, without interruption or diminution of service, the same service that is
241 being provided by the garbage disposal district;

242 (ii) the physical and other assets that will no longer be required by the garbage
243 disposal district to continue to provide the current level of service to the remainder
244 of the garbage disposal district, excluding the withdrawing entity, and could be
245 transferred to the withdrawing entity;

246 (iii) a fair and equitable allocation of the garbage disposal district's assets between the
247 garbage disposal district and the withdrawing entity, effective upon the
248 withdrawal of the withdrawing entity from the garbage disposal district;

249 (iv) a fair and equitable allocation of the debts, liabilities, and obligations of the
250 garbage disposal district and any local building authority of the garbage disposal
251 district, between the withdrawing entity and the remaining garbage disposal
252 district, taking into consideration:

253 (A) any requirement to maintain the excludability of interest from the income of
254 the holder of the debt, liability, or obligation for federal income tax purposes;
255 and

256 (B) any garbage disposal district assets that have been purchased with the
257 proceeds of bonds issued by the garbage disposal district that the garbage
258 disposal district will retain and any assets that will be transferred to the
259 withdrawing entity;

260 (v) the number and classification of garbage disposal district employees who will no
261 longer be required to serve the remaining portions of the garbage disposal district
262 after the withdrawing entity withdraws from the garbage disposal district,
263 including the dollar amount of the wages, salaries, and benefits attributable to the
264 employees and the estimated cost associated with termination of the employees if
265 the withdrawing entity does not employ the employees; and

266 (vi) any other factor that the feasibility consultant considers relevant to the question
267 of the withdrawing entity's withdrawal from the garbage disposal district.

268 (b) A written report of the results of a feasibility study shall:

269 (i) contain a recommendation concerning whether a withdrawing entity's withdrawal
270 from a garbage disposal district is functionally and financially feasible for the
271 withdrawing entity;
272 (ii) include any conditions the feasibility consultant determines need to be satisfied in
273 order to make the withdrawal functionally and financially feasible, including the
274 garbage disposal district assets and liabilities to be allocated to the withdrawing
275 entity;
276 (iii) include a one-page summary of the feasibility study, the recommendation
277 described in Subsection (5)(b)(i), and any conditions described in Subsection
278 (5)(b)(ii) in terms that the average member of the public can understand; and
279 (iv) be sent to:
280 (A) the board of trustees of the garbage disposal district; and
281 (B) the legislative body that adopted the notice of intent to withdraw under
282 Subsection (2).

283 (6)(a) If upon receipt of the written report described in Subsection (5)(b), the
284 withdrawing entity determines that the results of the feasibility study are favorable
285 and any identified conditions are acceptable to the withdrawing entity, the legislative
286 body shall hold at least one public hearing:

287 (i) within 60 days of the day on which the written report is sent to the board of
288 trustees and the legislative body, as described in Subsection (5)(b); and
289 (ii) for the purpose of allowing:
290 (A) the feasibility consultant to present the results of the feasibility study; and
291 (B) the public to become informed about the feasibility study results, pose
292 questions to the feasibility consultant, and make public comment.

293 (b) At a public hearing described in this Subsection (6), the legislative body shall:
294 (i) provide a copy of the feasibility study for public review;
295 (ii) ensure that the presentation includes a description of any conditions the feasibility
296 consultant identifies as necessary to make the withdrawal functional and
297 financially feasible, as described in Subsection (5)(b); and
298 (iii) allow members of the public and representatives from the garbage disposal
299 district's board of trustees to make public comment about the proposed withdrawal.

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

303 municipality:

304 (i) as a class A notice under Section 63G-30-102; and
305 (ii) for at least two weeks before the day of the public hearing.

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

307 (i) be sent to the garbage disposal district's board of trustees;
308 (ii) include the summary described in Subsection (5)(b)(iii); and
309 (iii) indicate that a full copy of the feasibility study is available for inspection and
310 copying at the office of the county clerk or municipal clerk or recorder.

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

313 (a) if, upon receipt of the written report described in Subsection (5)(b), the withdrawing
314 entity determines the results of the feasibility study are not favorable to the
315 withdrawing entity or that any identified conditions are not acceptable to the
316 withdrawing entity;
317 (b) if, after a public hearing described in Subsection (6), the legislative body fails to or
318 elects not to adopt a resolution to withdraw as described in Subsection (9); or
319 (c) the legislative body determines, for whatever reason and at any time before the
320 legislative body adopts a resolution to withdraw as described in Subsection (9), that
321 withdrawal is no longer in the best interest of the county or municipality.

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

324 (i) after a public hearing described in Subsection (6); and
325 (ii) no later than 60 days after the day on which the last public hearing described in
326 Subsection (6) is held.
327 (b) A resolution to withdraw shall establish the terms of the withdrawal, including the
328 withdrawing entity's agreement to comply with any conditions included in the
329 feasibility study report.
330 (c) Upon adopting a resolution to withdraw, the legislative body shall notify the garbage
331 disposal district's board of trustees of the resolution to withdraw.

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

335 (b) The effective date of a withdrawal under this section is governed by Subsection
336 17B-1-512(2)(a).

337 Section 4. Section **17B-1-511** is amended to read:

338 **17B-1-511 . Continuation of tax levy or assessment after withdrawal to pay for**
339 **proportionate share of district bonds.**

340 (1) Other than as provided in Subsection (2), and unless an escrow trust fund is established
341 and funded pursuant to Subsection 17B-1-510(5)(j), property within the withdrawn area
342 shall continue after withdrawal to be taxable by the special district:
343 (a) for the purpose of paying the withdrawn area's just proportion of the special district's
344 general obligation bonds or lease obligations payable from property taxes with
345 respect to lease revenue bonds issued by a local building authority on behalf of the
346 special district, other than those bonds treated as revenue bonds under Subsection
347 17B-1-510(5)(i), until the bonded indebtedness has been satisfied; and
348 (b) to the extent and for the years necessary to generate sufficient revenue that, when
349 combined with the revenues from the district remaining after withdrawal, is sufficient
350 to provide for the payment of principal and interest on the district's general obligation
351 bonds that are treated as revenue bonds under Subsection 17B-1-510(5)(i).
352 (2) For a special district funded predominately by revenues other than property taxes,
353 service charges, or assessments based upon an allotment of acre-feet of water, property
354 within the withdrawn area shall continue to be taxable by the special district for
355 purposes of paying the withdrawn area's proportionate share of bonded indebtedness or
356 judgments against the special district incurred [prior to] before:
357 (a) the date the petition was filed~~[.]~~ ;
358 (b) the date a county notifies a law enforcement district's board of trustees of the
359 county's proposed withdrawal under Section 17B-1-505.1; or
360 (c) the date the garbage disposal district's board of trustees received the notice of intent
361 to withdraw under Section 17B-1-505.7.
362 (3) An area withdrawn from an infrastructure financing district remains subject to any
363 taxes, fees, and assessments imposed by the infrastructure financing district until
364 obligations allocable to the withdrawn area are paid.
365 (4) Except as provided in Subsections (1), (2), and (3), upon withdrawal, the withdrawing
366 area is relieved of all other taxes, assessments, and charges levied by the district,
367 including taxes and charges for the payment of revenue bonds and maintenance and
368 operation cost of the special district.

369 Section 5. Section **17B-1-512** is amended to read:

370 **17B-1-512 . Filing of notice and plat -- Recording requirements -- Contest period**

371 **-- Judicial review.**

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

374 (i) a copy of a notice of an impending boundary action, as defined in Section
375 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and
376 (ii) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5.

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

378 (i) within 10 days after adopting a resolution approving a withdrawal under Section
379 17B-1-510;

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

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

384 (B) the board of trustees entering into an agreement described in Subsection
385 (1)(c)(ii), if the agreement is executed by both parties on or after July 1 and
386 before January 1; or

387 (iii) on or before the July 31 following:

388 (A) the board of trustees' receipt of a notice or copy described in Subsection [(1)(e)]
389 (1)(c)(i), if the board of trustees receives the notice or copy [between January 1
390 and June 30] on or after January 1 and before June 30; or

391 (B) the board of trustees entering into an agreement described in Subsection
392 (1)(c)(ii), if the agreement is executed by both parties on or after January 1 and
393 before June 30.

394 (c) The board of trustees shall comply with the requirements described in Subsection

395 (1)(b)(ii) or (iii) after:

396 (i) receiving:

397 (A) a notice under Subsection 10-2-813(2) of an automatic withdrawal under
398 Subsection 17B-1-502(2);

399 (B) a copy of the municipal legislative body's resolution approving an automatic
400 withdrawal under Subsection 17B-1-502(3)(a);[-or]

401 (C) notice of a withdrawal of a municipality from a special district under Section
402 17B-1-502;[-or]

403 (D) a final resolution to withdraw under Section 17B-1-505.1; or

404 (E) notice of a resolution to withdraw under Section 17B-1-505.7; or

405 (ii) entering into an agreement:
406 (A) with a municipality under Subsection 17B-1-505(5)(a)(ii)(A) or (5)(b); or
407 (B) with a withdrawing entity under Subsection 17B-1-505.7(3).

408 (d) Upon the lieutenant governor's issuance of a certificate of withdrawal under Section
409 67-1a-6.5, the board shall:
410 (i) if the withdrawn area is located within the boundary of a single county, submit to
411 the recorder of that county:
412 (A) the original:
413 (I) notice of an impending boundary action;
414 (II) certificate of withdrawal; and
415 (III) approved final local entity plat; and
416 (B) if applicable, a certified copy of the resolution or notice referred to in
417 Subsection (1)(b); or
418 (ii) if the withdrawn area is located within the boundaries of more than a single
419 county, submit:
420 (A) the original of the documents listed in Subsections (1)(d)(i)(A)(I), (II), and
421 (III) and, if applicable, a certified copy of the resolution or notice referred to in
422 Subsection (1)(b) to one of those counties; and
423 (B) a certified copy of the documents listed in Subsections (1)(d)(i)(A)(I), (II), and
424 (III) and a certified copy of the resolution or notice referred to in Subsection
425 (1)(b) to each other county.

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

429 (a) a withdrawal under Section 17B-1-501;
430 (b) an automatic withdrawal under Subsection 17B-1-502(3);
431 (c) the withdrawal of a municipality from a special district under Section 17B-1-505;
432 (d) the withdrawal of a county, in whole or in part, from a law enforcement district
433 under Section 17B-1-505.1; or
434 (e) the withdrawal of a county or a municipality from a garbage disposal district under
435 Section 17B-1-505.7.

436 [(2)(a) ~~Upon the lieutenant governor's issuance of the certificate of withdrawal under~~
437 ~~Section 67-1a-6.5 for a withdrawal under Section 17B-1-510, for an automatic~~
438 ~~withdrawal under Subsection 17B-1-502(3), or for the withdrawal of a municipality~~

439 from a special district under Section 17B-1-505, the withdrawal shall be effective,
440 subject to the conditions of the withdrawal resolution, if applicable.]

441 [(b) An automatic withdrawal under Subsection 17B-1-502(3) shall be effective upon
442 the lieutenant governor's issuance of a certificate of withdrawal under Section
443 67-1a-6.5.]

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

- 446 (i) in a newspaper of general circulation in the area proposed for withdrawal; and
447 (ii) as required in Section 45-1-101.

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

- 450 (i) the name of the special district;
- 451 (ii) a description of the area proposed for withdrawal;
- 452 (iii) a brief explanation of the grounds on which the board of trustees determined to
453 approve or deny the withdrawal; and
- 454 (iv) the times and place where a copy of the resolution may be examined, which shall
455 be at the place of business of the special district, identified in the notice, during
456 regular business hours of the special district as described in the notice and for a
457 period of at least 30 days after the publication of the notice.

458 (4) Any sponsor of the petition or receiving entity may contest the board's decision to deny
459 a withdrawal of an area from the special district by submitting a request, within 60 days
460 after the resolution is adopted under Section 17B-1-510, to the board of trustees,
461 suggesting terms or conditions to mitigate or eliminate the conditions upon which the
462 board of trustees based its decision to deny the withdrawal.

463 (5) Within 60 days after the request under Subsection (4) is submitted to the board of
464 trustees, the board may consider the suggestions for mitigation and adopt a resolution
465 approving or denying the request in the same manner as provided in Section 17B-1-510
466 with respect to the original resolution denying the withdrawal and file a notice of the
467 action as provided in Subsection (1).

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

- 469 (i) the board of trustees' decision to withdraw an area from the special district;
- 470 (ii) the terms and conditions of a withdrawal approved under Section 17B-1-510 or
Subsection (5); or
- 472 (iii) the board's decision to deny a withdrawal.

473 (b) Judicial review under this Subsection (6) shall be initiated by filing an action in the
474 district court in the county in which a majority of the area proposed to be withdrawn
475 is located:
476 (i) if the resolution approving or denying the withdrawal is published under
477 Subsection (3), within 60 days after the publication or after the board of trustees'
478 denial of the request under Subsection (5);
479 (ii) if the resolution is not published pursuant to Subsection (3), within 60 days after
480 the resolution approving or denying the withdrawal is adopted; or
481 (iii) if a request is submitted to the board of trustees of a special district under
482 Subsection (4), and the board adopts a resolution under Subsection (5), within 60
483 days after the board adopts a resolution under Subsection (5) unless the resolution
484 is published under Subsection (3), in which event the action shall be filed within
485 60 days after the publication.

486 (c) A court in which an action is filed under this Subsection (6) may not overturn, in
487 whole or in part, the board of trustees' decision to approve or reject the withdrawal
488 unless:
489 (i) the court finds the board of trustees' decision to be arbitrary or capricious; or
490 (ii) the court finds that the board materially failed to follow the procedures set forth
491 in this part.

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

494 (7) After the applicable contest period under Subsection (4) or (6), no person may contest
495 the board of trustees' approval or denial of withdrawal for any cause.

496 **Section 6. Effective Date.**

497 This bill takes effect on May 6, 2026.