

1 **Special Districts Modifications**

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kirk A. Cullimore

House Sponsor:

2 **LONG TITLE**

3 **General Description:**

4 This bill deals with the withdrawal procedure from a first responder district.

5 **Highlighted Provisions:**

6 This bill:

- 7
- 8 ▶ defines terms and modifies definitions;
 - 9 ▶ provides a process for a county of the first class to initiate withdrawal from a first

10 responder district;

11 ▶ modifies the process to conduct a feasibility study on withdrawal from a first responder

12 district;

13 ▶ modifies the obligations of a board of trustees of a special district to file with the

14 lieutenant governor certain documents after receiving notice of withdrawal; and

- 15 ▶ makes technical and conforming changes.

16 **Money Appropriated in this Bill:**

17 None

18 **Other Special Clauses:**

19 None

20 **Utah Code Sections Affected:**

21 AMENDS:

22 **17B-1-502**, as last amended by Laws of Utah 2025, First Special Session, Chapter 11

23 **17B-1-504**, as last amended by Laws of Utah 2024, Chapter 388

24 **17B-1-505**, as last amended by Laws of Utah 2023, Chapter 15

25 **17B-1-505.5**, as last amended by Laws of Utah 2023, Chapters 15, 435

26 **17B-1-512**, as last amended by Laws of Utah 2025, Chapter 399

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

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

29 **17B-1-502 . Withdrawal of area from special district -- Automatic withdrawal in**

30

31 **certain circumstances.**

32 (1)(a) An area within the boundaries of a special district may be withdrawn from the
33 special district only as provided in this part or, if applicable, as provided in Chapter
34 2a, Part 11, Municipal Services District Act.

35 (b) Except as provided in Subsections (2) and (3), the inclusion of an area of a special
36 district within a municipality because of a municipal incorporation under Title 10,
37 Chapter 2a, Municipal Incorporation, a municipal annexation under Title 10, Chapter
38 2, Part 8, Annexation, or a boundary adjustment under Title 10, Chapter 2, Part 9,
39 Municipal Boundary Adjustments, does not affect the requirements under this part
40 for the process of withdrawing that area from the special district.

41 (2)(a) An area within the boundaries of a special district is automatically withdrawn
42 from the special district by the annexation of the area to a municipality under Title
43 10, Chapter 2, Part 8, Annexation, or the adding of the area to a municipality by
44 boundary adjustment under Title 10, Chapter 2, Part 9, Municipal Boundary
45 Adjustments, if:

46 (i) the special district provides:

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

48 (B) law enforcement service;

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

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

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

55 (3)(a) Except as provided in Subsection (3)(c) or (d), an area within the boundaries of a
56 special district located in a county of the first class is automatically withdrawn from
57 the special district by the incorporation of a municipality whose boundaries include
58 the area if:

59 (i) the special district provides municipal services, as defined in Section 17B-2a-1102,
60 excluding fire protection, paramedic, emergency, and law enforcement services;

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

63 (iii) the legislative body of the newly incorporated municipality:

64 (A) adopts a resolution no later than 180 days after the effective date of

- 65 incorporation approving the withdrawal that includes the legal description of
 66 the area to be withdrawn; and
- 67 (B) delivers a copy of the resolution to the board of trustees of the special district.
- 68 (b) The effective date of a withdrawal under this Subsection (3) is governed by
 69 Subsection 17B-1-512(2)(a).
- 70 (c) Section 17B-1-505 governs the withdrawal of an [~~incorporated~~] area within a county
 71 of the first class if:
- 72 (i) the special district from which the area is withdrawn provides:
- 73 (A) fire protection, paramedic, and emergency services;
 74 (B) law enforcement service; or
 75 (C) municipal services, as defined in Section 17B-2a-1102;
- 76 (ii) an election for the creation of the special district was not required under
 77 Subsection 17B-1-214(3)(d) or (g); and
- 78 (iii) for a special district that provides municipal services, as defined in Section
 79 17B-2a-1102, excluding fire protection, paramedic, emergency, and law
 80 enforcement services, the 180-day period described in Subsection (3)(a)(iii)(A) is
 81 expired.
- 82 (d) An area may not be withdrawn from a special district that provides municipal
 83 services, as defined in Section 17B-2a-1102, excluding fire protection, paramedic,
 84 emergency, and law enforcement services, if the area is within a converted
 85 municipality, as defined in Section 10-1-201.5.

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

87 **17B-1-504 . Initiation of withdrawal process -- Notice of petition.**

- 88 (1) Except as provided in Section 17B-1-505, the process to withdraw an area from a
 89 special district may be initiated:
- 90 (a) for a special district funded predominantly by revenues from property taxes or
 91 service charges other than those based upon acre-feet of water:
- 92 (i) by a petition signed by the owners of private real property that:
- 93 (A) is located within the area proposed to be withdrawn;
 94 (B) covers at least 51% of the total private land within the area proposed to be
 95 withdrawn; and
 96 (C) is equal in taxable value to at least 51% of the taxable value of all private real
 97 property within the area proposed to be withdrawn;
- 98 (ii) by a petition signed by registered voters residing within the area proposed to be

- 99 withdrawn equal in number to at least 67% of the number of votes cast in the same
100 area for the office of governor at the last regular general election before the filing
101 of the petition;
- 102 (iii) by a resolution adopted by the board of trustees of the special district in which
103 the area proposed to be withdrawn is located, which:
104 (A) states the reasons for withdrawal; and
105 (B) is accompanied by a general description of the area proposed to be withdrawn;
106 or
- 107 (iv) by a resolution to file a petition with the special district to withdraw from the
108 special district all or a specified portion of the area within a municipality or
109 county, adopted by the governing body of a municipality that has within its
110 boundaries an area located within the boundaries of a special district, or by the
111 governing body of a county that has within its boundaries an area located within
112 the boundaries of a special district that is located in more than one county, which
113 petition of the governing body shall be filed with the board of trustees only if a
114 written request to petition the board of trustees to withdraw an area from the
115 special district has been filed with the governing body of the municipality, or
116 county, and the request has been signed by registered voters residing within the
117 boundaries of the area proposed for withdrawal equal in number to at least 51% of
118 the number of votes cast in the same area for the office of governor at the last
119 regular general election before the filing of the petition;
- 120 (b) for a special district whose board of trustees is elected by electors based on the
121 acre-feet of water allotted to the land owned by the elector:
122 (i) in the same manner as provided in Subsection (1)(a)(iii) or Subsection (1)(a)(iv);
123 or
124 (ii) by a petition signed by the owners of at least 67% of the acre-feet of water
125 allotted to the land proposed to be withdrawn;
- 126 (c) for a special district funded predominantly by revenues other than property taxes,
127 service charges, or assessments based upon an allotment of acre-feet of water:
128 (i) in the same manner as provided in Subsection (1)(a)(iii) or Subsection (1)(a)(iv);
129 or
130 (ii) by a petition signed by the registered voters residing within the entire area
131 proposed to be withdrawn, which area shall be comprised of an entire
132 unincorporated area within the special district or an entire municipality within a

133 special district, or a combination thereof, equal in number to at least 67% of the
 134 number of votes cast within the entire area proposed to be withdrawn for the
 135 office of governor at the last regular general election before the filing of the
 136 petition; or

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

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

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

143 (ii) mail a copy of the petition to the special district board.

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

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

147 **17B-1-505 . Withdrawal from certain districts providing fire protection,**
 148 **paramedic, and emergency services or law enforcement service or municipal services.**

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

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

153 (b) "Eligible area" means:

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

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

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

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

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

162 (d) "Legislative body" means:

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

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

- 167 (e) "Municipal services district" means a municipal services district formed under
168 Chapter 2a, Part 11, Municipal Services District Act.
- 169 (f) "Qualified district" means:
170 (i) a first responder district; or
171 (ii) a municipal services district.
- 172 (2) This section ~~[applies to the]~~ provides the sole method of withdrawal of:
173 (a) a municipality that is entirely within the boundary of a first responder district from
174 the first responder district;
175 (b) a municipality that is entirely within the boundary of a municipal services district
176 from the municipal services district; and
177 (c) ~~[-or municipal services district that was created without the necessity of an election~~
178 ~~because of Subsection 17B-1-214(3)(d) or (g)]~~ a county from a first responder district.
- 179 (3)(a) The process to withdraw a municipality from a first responder district or
180 municipal services district, or a county from a first responder district, may be
181 initiated by a resolution adopted by ~~[the]~~ a legislative body~~[-of the municipality],~~
182 subject to Subsection (3)(b).
- 183 (b) The legislative body of a municipality that is within a municipal services district may
184 not adopt a resolution under Subsection (3)(a) to withdraw from the municipal
185 services district unless the municipality has conducted a feasibility study in
186 accordance with Section 17B-2a-1110.
- 187 (c) Within 10 days after adopting a resolution under Subsection (3)(a), the ~~[municipal]~~
188 ~~legislative body~~ shall submit to the board of trustees of the ~~[-first responder district or~~
189 ~~municipal services-]~~ qualified district written notice of the adoption of the resolution,
190 accompanied by a copy of the resolution.
- 191 (4) If a resolution is adopted under Subsection (3)(a) by the legislative body of a
192 municipality within a municipal services district, the municipal legislative body shall
193 hold an election at the next municipal general election that is more than ~~[60]~~ 180 days
194 after adoption of the resolution on the question of whether the municipality should
195 withdraw from the municipal services district.
- 196 (5)(a) A municipality or county shall be withdrawn from a first responder district if:
197 (i) the legislative body ~~[of the municipality]~~ governing the municipality or county
198 adopts a resolution initiating the withdrawal under Subsection (3)(a); and
199 (ii)(A) ~~[whether before or after the effective date of this section, the municipality]~~
200 the legislative body of the municipality or county and the first responder

201 district agree in writing to the withdrawal; or
 202 (B) except as provided in Subsection (5)(b) and subject to Subsection (6), the
 203 voters ~~[of the municipality]~~ residing in the eligible area approve the withdrawal
 204 at an election held for that purpose.

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

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

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

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

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

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

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

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

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

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

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

232 (9) The effective date of a withdrawal under this section is governed by ~~[Subsection~~
 233 ~~17B-1-512(2)(a)]~~ Section 17B-1-512.

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

235 **17B-1-505.5 . Feasibility study for withdrawal from a special district providing**
 236 **fire protection, paramedic, and emergency services or law enforcement service -- Notice**
 237 **of hearing.**

238 (1) As used in this section:

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

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

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

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

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

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

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

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

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

251 (i) a municipality whose legislative body has adopted a resolution under Subsection
 252 17B-1-505(3)(a) to initiate the process of the municipality's withdrawal from a
 253 first responder district~~[-]~~ ; or

254 (ii) a county whose legislative body has adopted a resolution under Subsection
 255 17B-1-505(3)(a) to initiate the process of withdrawing all unincorporated areas of
 256 the county from a first responder district.

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

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

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

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

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

- 269 (b) The withdrawing [municipality] entity and first responder district shall jointly choose
270 and engage a feasibility consultant according to applicable county, municipal, or
271 special district procurement procedures.
- 272 (c)(i) If the withdrawing [municipality] entity and first responder district cannot agree
273 on and have not engaged a feasibility consultant under Subsection (3)(b) within 45
274 days after the legislative body of the withdrawing [municipality] entity submits
275 written notice to the first responder district under Subsection 17B-1-505(3)(c), the
276 withdrawing [municipality] entity and first responder district shall, as provided in
277 this Subsection (3)(c), choose a feasibility consultant from a list of at least eight
278 feasibility consultants provided by the Utah Association of Certified Public
279 Accountants.
- 280 (ii) A list of feasibility consultants under Subsection (3)(c)(i) may not include a
281 feasibility consultant that has had a contract to provide services to the
282 withdrawing [municipality] entity or first responder district at any time during the
283 two-year period immediately preceding the date the list is provided under
284 Subsection (3)(c)(i).
- 285 (iii)(A) Beginning with the first responder district, the first responder district and
286 withdrawing [municipality] entity shall alternately eliminate one feasibility
287 consultant each from the list of feasibility consultants until one feasibility
288 consultant remains.
- 289 (B) Within five days after receiving the list of consultants from the Utah
290 Association of Certified Public Accountants, the first responder district shall
291 make the first elimination of a feasibility consultant from the list and notify the
292 withdrawing [municipality] entity in writing of the elimination.
- 293 (C) After the first elimination of a feasibility consultant from the list, the
294 withdrawing [municipality] entity and first responder district shall each, within
295 three days after receiving the written notification of the preceding elimination,
296 notify the other in writing of the elimination of a feasibility consultant from the
297 list.
- 298 (d) If a withdrawing [municipality] entity and first responder district do not engage a
299 feasibility consultant under Subsection (3)(b), the withdrawing [municipality] entity
300 and first responder district shall engage the feasibility consultant that has not been
301 eliminated from the list at the completion of the process described in Subsection
302 (3)(c).

- 303 (4) A feasibility consultant that conducts a feasibility study under this section shall be
304 independent of and unaffiliated with the withdrawing [municipality] entity and first
305 responder district.
- 306 (5) In conducting a feasibility study under this section, the feasibility consultant shall
307 consider:
- 308 (a) population and population density within the [~~withdrawing municipality~~] eligible area;
 - 309 (b) current and five-year projections of demographics and economic base in the
310 withdrawing [municipality] entity, including household size and income, commercial
311 and industrial development, and public facilities;
 - 312 (c) projected growth in the withdrawing [municipality] entity during the next five years;
 - 313 (d) subject to Subsection (6)(a), the present and five-year projections of the cost,
314 including overhead, of providing the same service in the withdrawing [municipality]
315 entity as is provided by the first responder district, including:
 - 316 (i) the estimated cost if the first responder district continues to provide service; and
 - 317 (ii) the estimated cost if the withdrawing [municipality] entity provides service;
 - 318 (e) subject to Subsection (6)(a), the present and five-year projections of the cost,
319 including overhead, of the first responder district providing service with:
 - 320 (i) the [municipality] eligible area included in the first responder district's service
321 area; and
 - 322 (ii) the withdrawing [municipality] entity excluded from the first responder district's
323 service area;
 - 324 (f) a projection of any new taxes per household that may be levied within the
325 withdrawing [municipality] entity within five years after the withdrawal;
 - 326 (g) the fiscal impact that the withdrawing [municipality's] entity's withdrawal has on
327 other municipalities and unincorporated areas served by the first responder district,
328 including any rate increase that may become necessary to maintain required coverage
329 ratios for the first responder district's debt;
 - 330 (h) the physical and other assets that will be required by the withdrawing [municipality]
331 entity to provide, without interruption or diminution of service, the same service that
332 is being provided by the first responder district;
 - 333 (i) the physical and other assets that will no longer be required by the first responder
334 district to continue to provide the current level of service to the remainder of the first
335 responder district, excluding the withdrawing [municipality] entity, and could be
336 transferred to the withdrawing [municipality] entity;

- 337 (j) subject to Subsection (6)(b), a fair and equitable allocation of the first responder
338 district's assets between the first responder district and the withdrawing [municipality]
339 entity, effective upon the withdrawal of the withdrawing [municipality] entity from
340 the first responder district;
- 341 (k) a fair and equitable allocation of the debts, liabilities, and obligations of the first
342 responder district and any local building authority of the first responder district,
343 between the withdrawing [municipality] entity and the remaining first responder
344 district, taking into consideration:
- 345 (i) any requirement to maintain the excludability of interest from the income of the
346 holder of the debt, liability, or obligation for federal income tax purposes; and
347 (ii) any first responder district assets that have been purchased with the proceeds of
348 bonds issued by the first responder district that the first responder district will
349 retain and any of those assets that will be transferred to the withdrawing [
350 municipality] entity;
- 351 (l) the number and classification of first responder district employees who will no longer
352 be required to serve the remaining portions of the first responder district after the
353 withdrawing [municipality] entity withdraws from the first responder district,
354 including the dollar amount of the wages, salaries, and benefits attributable to the
355 employees and the estimated cost associated with termination of the employees if the
356 withdrawing [municipality] entity does not employ the employees;
- 357 (m) maintaining as a base, for a period of three years after withdrawal, the existing
358 schedule of pay and benefits for first responder district employees who are
359 transferred to the employment of the withdrawing [municipality] entity; and
- 360 (n) any other factor that the feasibility consultant considers relevant to the question of
361 the withdrawing [municipality's] entity's withdrawal from the first responder district.
- 362 (6)(a) For purposes of Subsections (5)(d) and (e):
- 363 (i) the feasibility consultant shall assume a level and quality of service to be provided
364 in the future to the withdrawing [municipality] entity that fairly and reasonably
365 approximates the level and quality of service that the first responder district
366 provides to the withdrawing [municipality] entity at the time of the feasibility
367 study;
- 368 (ii) in determining the present value cost of a service that the first responder district
369 provides, the feasibility consultant shall consider:
- 370 (A) the cost to the withdrawing [municipality] entity of providing the service for

- 371 the first five years after the withdrawal; and
- 372 (B) the first responder district's present and five-year projected cost of providing
- 373 the same service within the withdrawing [municipality] entity; and
- 374 (iii) the feasibility consultant shall consider inflation and anticipated growth in
- 375 calculating the cost of providing service.
- 376 (b) The feasibility consultant may not consider an allocation of first responder district
- 377 assets or a transfer of first responder district employees to the extent that the
- 378 allocation or transfer would impair the first responder district's ability to continue to
- 379 provide the current level of service to the remainder of the first responder district
- 380 without the withdrawing [municipality] entity, unless the first responder district
- 381 consents to the allocation or transfer.
- 382 (7) A feasibility consultant may retain an architect, engineer, or other professional, as the
- 383 feasibility consultant considers prudent and as provided in the agreement with the
- 384 withdrawing [municipality] entity and first responder district, to assist the feasibility
- 385 consultant to conduct a feasibility study.
- 386 (8) The withdrawing [municipality] entity and first responder district shall require the
- 387 feasibility consultant to:
- 388 (a) complete the feasibility study within a time established by the withdrawing [
- 389 municipality] entity and first responder district;
- 390 (b) prepare and submit a written report communicating the results of the feasibility
- 391 study, including a one-page summary of the results; and
- 392 (c) attend all public hearings relating to the feasibility study under Subsection (14).
- 393 (9) A written report of the results of a feasibility study under this section shall:
- 394 (a) contain a recommendation concerning whether a withdrawing [municipality's] entity's
- 395 withdrawal from a first responder district is functionally and financially feasible for
- 396 both the first responder district and the withdrawing [municipality] entity; and
- 397 (b) include any conditions the feasibility consultant determines need to be satisfied in
- 398 order to make the withdrawal functionally and financially feasible, including:
- 399 (i) first responder district assets and liabilities to be allocated to the withdrawing [
- 400 municipality] entity; and
- 401 (ii)(A) first responder district employees to become employees of the withdrawing [
- 402 municipality] entity; and
- 403 (B) sick leave, vacation, and other accrued benefits and obligations relating to the
- 404 first responder district employees that the withdrawing [municipality] entity

- 405 needs to assume.
- 406 (10) The withdrawing [municipality] entity and first responder district shall equally share
407 the feasibility consultant's fees and costs, as specified in the agreement between the
408 withdrawing [municipality] entity and first responder district and the feasibility
409 consultant.
- 410 (11)(a) Upon completion of the feasibility study and preparation of a written report, the
411 feasibility consultant shall deliver a copy of the report to the withdrawing [
412 municipality] entity and first responder district.
- 413 (b)(i) A withdrawing [municipality] entity or first responder district that disagrees
414 with any aspect of a feasibility study report may, within 20 business days after
415 receiving a copy of the report under Subsection (11)(a), submit to the feasibility
416 consultant a written objection detailing the disagreement.
- 417 (ii)(A) A withdrawing [municipality] entity that submits a written objection under
418 Subsection (11)(b)(i) shall simultaneously deliver a copy of the objection to the
419 first responder district.
- 420 (B) A first responder district that submits a written objection under Subsection
421 (11)(b)(i) shall simultaneously deliver a copy of the objection to the
422 withdrawing [municipality] entity.
- 423 (iii) A withdrawing [municipality] entity or first responder district may, within 10
424 business days after receiving an objection under Subsection (11)(b)(ii), submit to
425 the feasibility consultant a written response to the objection.
- 426 (iv)(A) A withdrawing [municipality] entity that submits a response under
427 Subsection (11)(b)(iii) shall simultaneously deliver a copy of the response to
428 the first responder district.
- 429 (B) A first responder district that submits a response under Subsection (11)(b)(iii)
430 shall simultaneously deliver a copy of the response to the withdrawing [
431 municipality] entity.
- 432 (v) If an objection is filed under Subsection (11)(b)(i), the feasibility consultant shall,
433 within 20 business days after the expiration of the deadline under Subsection
434 (11)(b)(iii) for submitting a response to an objection:
- 435 (A) modify the feasibility study report or explain in writing why the feasibility
436 consultant is not modifying the feasibility study report; and
- 437 (B) deliver the modified feasibility study report or written explanation to the
438 withdrawing [municipality] entity and first responder special district.

- 439 (12) Within seven days after the expiration of the deadline under Subsection (11)(b)(i) for
440 submitting an objection or, if an objection is submitted, within seven days after
441 receiving a modified feasibility study report or written explanation under Subsection
442 (11)(b)(v), but at least 30 days before a public hearing under Subsection (14), the
443 withdrawing [municipality] entity shall:
- 444 (a) make a copy of the report available to the public at the primary office of the
445 withdrawing [municipality] entity; and
 - 446 (b) if the withdrawing [municipality] entity has a website, post a copy of the report on the [
447 municipality's-] entity's website.
- 448 (13) A feasibility study report or, if a feasibility study report is modified under Subsection
449 (11), a modified feasibility study report may not be challenged unless the basis of the
450 challenge is that the report results from collusion or fraud.
- 451 (14)(a) Following the expiration of the deadline under Subsection (11)(b)(i) for
452 submitting an objection, or, if an objection is submitted under Subsection (11)(b)(i),
453 following the withdrawing [municipality's] entity's receipt of the modified feasibility
454 study report or written explanation under Subsection (11)(b)(v), the legislative body
455 of the withdrawing [municipality] entity shall, at the legislative body's next regular
456 meeting, schedule at least one public hearing to be held:
- 457 (i) within the following 60 days; and
 - 458 (ii) for the purpose of allowing:
 - 459 (A) the feasibility consultant to present the results of the feasibility study; and
 - 460 (B) the public to become informed about the feasibility study results, to ask the
461 feasibility consultant questions about the feasibility study, and to express the
462 public's views about the proposed withdrawal.
 - 463 (b) At a public hearing under Subsection (14)(a), the legislative body of the withdrawing [
464 municipality] entity shall:
 - 465 (i) provide a copy of the feasibility study for public review; and
 - 466 (ii) allow the public to:
 - 467 (A) ask the feasibility consultant questions about the feasibility study; and
 - 468 (B) express the public's views about the withdrawing [municipality's] entity's
469 proposed withdrawal from the first responder district.
- 470 (15)(a) The clerk or recorder of the withdrawing [municipality] entity shall publish
471 notice of a hearing under Subsection (14) for the withdrawing [municipality] entity, as
472 a class A notice under Section 63G-30-102, for three consecutive weeks immediately

473 before the public hearing.

474 (b) A notice under Subsection (15)(a) shall state:

475 (i) the date, time, and location of the public hearing; and

476 (ii) that a copy of the feasibility study report may be obtained, free of charge, at the
477 office of the withdrawing [municipality] entity or on the withdrawing [
478 municipality's] entity's website.

479 (16) Unless the withdrawing [municipality] entity and first responder district agree
480 otherwise, conditions that a feasibility study report indicates are necessary to be met for
481 a withdrawal to be functionally and financially feasible for the withdrawing [
482 municipality] entity and first responder district are binding on the withdrawing [
483 municipality] entity and first responder district if the withdrawal occurs.

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

485 **17B-1-512 . Filing of notice and plat -- Recording requirements -- Contest period**
486 **-- Judicial review.**

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

489 (i) a copy of a notice of an impending boundary action, as defined in Section
490 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and

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

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

493 (i) within 10 days after adopting a resolution approving a withdrawal under Section
494 17B-1-510;

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

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

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

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

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

506 (B) the board of trustees entering into an agreement described in Subsection

507 (1)(c)(ii), if the agreement is executed by both parties on or after January 1 and
508 before June 30.

509 (c) The board of trustees shall comply with the requirements described in Subsection
510 (1)(b)(ii) or (iii) after:

511 (i) receiving:

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

514 (B) a copy of the municipal legislative body's resolution approving an automatic
515 withdrawal under Subsection 17B-1-502(3)(a);~~or~~

516 (C) a notice of a withdrawal of a municipality from a special district under Section
517 17B-1-502; or

518 (D) a notice of a withdrawal of an eligible area under Subsection 17B-1-505(8); or

519 (ii) entering into an agreement with a municipality or county under Subsection
520 17B-1-505(5)(a)(ii)(A) or (5)(b).

521 (d) Upon the lieutenant governor's issuance of a certificate of withdrawal under Section
522 67-1a-6.5, the board shall:

523 (i) if the withdrawn area is located within the boundary of a single county, submit to
524 the recorder of that county:

525 (A) the original:

526 (I) notice of an impending boundary action;

527 (II) certificate of withdrawal; and

528 (III) approved final local entity plat; and

529 (B) if applicable, a certified copy of the resolution or notice referred to in
530 Subsection (1)(b); or

531 (ii) if the withdrawn area is located within the boundaries of more than a single
532 county, submit:

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

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

539 (2)(a) Upon the lieutenant governor's issuance of the certificate of withdrawal under
540 Section 67-1a-6.5 for a withdrawal under Section 17B-1-510, for an automatic

541 withdrawal under Subsection 17B-1-502(3), or for the withdrawal of [a municipality]
542 an eligible area from a special district under Section 17B-1-505, the withdrawal shall
543 be effective, subject to the conditions of the withdrawal resolution, if applicable.

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

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

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

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

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

552 (i) the name of the special district;

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

554 (iii) a brief explanation of the grounds on which the board of trustees determined to
555 approve or deny the withdrawal; and

556 (iv) the times and place where a copy of the resolution may be examined, which shall
557 be at the place of business of the special district, identified in the notice, during
558 regular business hours of the special district as described in the notice and for a
559 period of at least 30 days after the publication of the notice.

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

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

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

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

572 (ii) the terms and conditions of a withdrawal; or

573 (iii) the board's decision to deny a withdrawal.

574 (b) Judicial review under this Subsection (6) shall be initiated by filing an action in the

- 575 district court in the county in which a majority of the area proposed to be withdrawn
576 is located:
- 577 (i) if the resolution approving or denying the withdrawal is published under
578 Subsection (3), within 60 days after the publication or after the board of trustees'
579 denial of the request under Subsection (5);
- 580 (ii) if the resolution is not published pursuant to Subsection (3), within 60 days after
581 the resolution approving or denying the withdrawal is adopted; or
- 582 (iii) if a request is submitted to the board of trustees of a special district under
583 Subsection (4), and the board adopts a resolution under Subsection (5), within 60
584 days after the board adopts a resolution under Subsection (5) unless the resolution
585 is published under Subsection (3), in which event the action shall be filed within
586 60 days after the publication.
- 587 (c) A court in which an action is filed under this Subsection (6) may not overturn, in
588 whole or in part, the board of trustees' decision to approve or reject the withdrawal
589 unless:
- 590 (i) the court finds the board of trustees' decision to be arbitrary or capricious; or
591 (ii) the court finds that the board materially failed to follow the procedures set forth
592 in this part.
- 593 (d) A court may award costs and expenses of an action under this section, including
594 reasonable attorney fees, to the prevailing party.
- 595 (7) After the applicable contest period under Subsection (4) or (6), no person may contest
596 the board of trustees' approval or denial of withdrawal for any cause.

597 **Section 6. Effective Date.**

598 This bill takes effect on May 6, 2026.