Heard in the Political Subdivisions Interim Committee on 11/18/26

Municipal Incorporation Modifications

2027 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Tiara Auxier

Sponsor:

LONG TITLE

General Description:

This bill amends provisions relating to the incorporation of a preliminary municipality.

Highlighted Provisions:

This bill:

- provides that, after the effective date of this bill:
  - a person may not apply to incorporate an area as a preliminary municipality by filing a feasibility request or petition to incorporate;
  - the lieutenant governor shall cease processing feasibility requests and notify any engaged feasibility consultants to cease work immediately;
  - a person may not amend or modify a feasibility request or petition to incorporate; and
  - a person may not file, and the lieutenant governor may not process, a petition to incorporate;
- limits the powers of a preliminary municipality;
- requires the lieutenant governor to issue a certificate dissolving a preliminary municipality within 10 days of the effective date of this bill;
- provides that, upon dissolution of a preliminary municipality:
  - all roads and infrastructure within the preliminary municipality revert to the county in which the preliminary municipality is located; and
  - the area within the proposed municipality falls under the jurisdiction of the county and is no longer incorporated;
- provides that, to the extent a court determines a landowner within a preliminary municipality or a former preliminary municipality has vested rights as the result of the preliminary municipality's government action, no new vested rights may be created for the landowner after the effective date of this bill unless the vested rights are the result of the county's actions;
- repeals provisions related to the process to transition a preliminary municipality into a town;

- sunsets Title 10, Chapter 2a, Part 5, Incorporation of a Preliminary Municipality, on July 1, 2027; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

10-2a-502 (Effective upon governor's approval) (Repealed 01/01/31), as enacted by Laws of Utah 2024, Chapter 534

10-2a-503 (Effective upon governor's approval) (Repealed 01/01/31), as enacted by Laws of Utah 2024, Chapter 534

10-2a-504 (Effective upon governor's approval) (Repealed 01/01/31), as enacted by Laws of Utah 2024, Chapter 534

10-2a-505 (Effective upon governor's approval) (Repealed 01/01/31), as enacted by Laws of Utah 2024, Chapter 534

10-2a-506 (Effective upon governor's approval) (Repealed 01/01/31), as last amended by Laws of Utah 2025, Chapter 399

10-2a-507 (Effective upon governor's approval) (Repealed 01/01/31), as enacted by Laws of Utah 2024, Chapter 534

10-2a-508 (Effective upon governor's approval) (Repealed 01/01/31), as last amended by Laws of Utah 2026, Chapter 324

10-2a-509 (Effective upon governor's approval) (Repealed 01/01/31), as enacted by Laws of Utah 2024, Chapter 534

63I-1-210 (Effective upon governor's approval), as last amended by Laws of Utah 2026, Chapter 165

REPEALS:

10-2a-510 (Effective upon governor's approval) (Repealed 01/01/31), as enacted by Laws of Utah 2024, Chapter 534

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

Section 1. Section **10-2a-502** is amended to read:

10-2a-502 (Effective upon governor's approval) (Repealed 01/01/31).

Incorporation of a preliminary municipality -- Feasibility request -- Requirements.

(1)(a) [~~A~~] Except as provided in Subsection (1)(b), a person may apply to incorporate an area as a preliminary municipality by filing a feasibility request in accordance with this section.

(b) A person may not apply to incorporate an area as a preliminary municipality by filing a feasibility request after the effective date of this bill.

(2) Subject to [~~Subsection~~] Subsections (1) and (6), a person may file a feasibility request in relation to an area that the person seeks to incorporate as a preliminary municipality if:

(a) the area is contiguous;

(b) no part of the area is within a county of the first class or second class;

(c) no part of the area is within, or within .25 miles of, a municipality;

(d) on the day on which the person files the feasibility request:

(i) the area is owned by no more than three persons, all of whom consent to incorporation as a preliminary municipality; and

(ii) at least 50% of the area is undeveloped;

(e) the persons who sign the feasibility request intend to develop the area to the point that:

(i) at least 100 individuals reside in the area;

(ii) the area will have an average population density of no less than seven individuals per square mile, unless:

(A) a population density of less than seven individuals per square mile is necessary in order to connect separate areas that share a demonstrable community interest; and

(B) the average population of the area has a population density of no less than seven individuals per square mile if the land necessary to connect the separate areas described in Subsection (2)(e)(ii)(A) is not included in the calculation; and

(iii) at least 10% of the housing in the preliminary municipality is affordable housing;

(f) the area does not include land owned by the United States government unless:

(i) the area, including the land owned by the United States government, is contiguous; and

(ii)(A) incorporating the land is necessary to connect separate areas that share a demonstrable community interest; or

(B) excluding the land from the area would create an unincorporated island within

the proposed preliminary municipality;

(g) the area is entirely within one county; and

(h) the feasibility request complies with Subsection (3).

(3)(a) A proposed preliminary municipality area may not include all or part of a pending annexation area, unless:

(i) the portion of the pending annexation area included in the proposed preliminary municipality area does not exceed 20% of the proposed preliminary municipality area; and

(ii) the feasibility request would comply with the requirements of this section regardless of whether the portion of the pending annexation area included in the proposed preliminary municipality area is excluded from, or remains included in, the proposed preliminary municipality area.

(b) A proposed preliminary municipality area may not include all or part of an area that is the subject of a completed feasibility study or supplemental feasibility study that qualifies to proceed under Subsection 10-2a-205(5)(a), unless:

(i) the proposed incorporation that is the subject of the completed feasibility study or supplemental feasibility study has been defeated by the voters at an election under Section 10-2a-210; or

(ii) the time described in Subsection 10-2a-208(1) for filing an incorporation petition based on the completed feasibility study or supplemental feasibility study has elapsed without the sponsors filing an incorporation petition under Section 10-2a-208.

(c) A proposed preliminary municipality area may not include all or part of an area that is the subject of a completed feasibility study or supplemental feasibility study whose results comply with Subsection 10-2a-504(4), unless the time described in Subsection 10-2a-507(1) for filing a petition for incorporation based on the completed feasibility study or supplemental feasibility study has elapsed without the sponsors filing a petition for incorporation under Section 10-2a-507.

(4) Except as provided in Section 10-2a-505, the lieutenant governor shall consider each feasibility request that includes an area described in Subsection (3)(a) as if the request does not include the area described in Subsection (3)(a).

(5) A person who files a feasibility request under this section shall file the feasibility request with the lieutenant governor, including in the feasibility request:

(a) the signatures of all owners of real property included in the proposed preliminary

municipality area, showing that the owners consent to including the real property in the proposed preliminary municipality area;

(b) the name, address, and phone number of each owner signing the feasibility request;

(c) a designation of one individual who signs the feasibility request as the primary sponsor contact for the feasibility request;

(d) a description of the proposed preliminary municipality area;

(e) an accurate map or plat, prepared by a licensed surveyor, showing:

(i) a legal description of the boundaries of the proposed preliminary municipality area and each phase of the proposed preliminary municipality area;

(ii) all development planned for the proposed preliminary municipality area; and

(iii) that the first phase of the proposed preliminary municipality area is projected to have at least 100 residents when completed; and

(f) a request that the lieutenant governor commission a study to determine the feasibility of incorporating the area as a preliminary municipality.

(6)(a) The provisions of this part, providing for the incorporation of a preliminary municipality, is a pilot project that ends on January 1, 2031.

(b) Except as provided in Subsection (7), a person may not file a feasibility request under this part in a calendar year during which two or more requests have already been filed in the state.

(7)(a) [~~A~~] Except as provided in Subsection (7)(b), a feasibility request does not count towards the limit described in Subsection (6)(b) if:

[~~(a)~~] (i) the sponsors who file the request withdraw the request;

[~~(b)~~] (ii) the lieutenant governor rejects the feasibility request under Subsection 10-2a-503(4) or (5)(b), and the sponsors:

[~~(i)~~] (A) do not timely amend the feasibility request under Subsection 10-2a-503(7)(b); or

[~~(ii)~~] (B) are prohibited from amending the feasibility request under Subsection 10-2a-503(7)(c); or

[~~(c)~~] (iii) the process to incorporate is prohibited from proceeding under Subsection 10-2a-504(5)(a) and the sponsors:

[~~(i)~~] (A) do not timely file a modified feasibility request under Subsection 10-2a-505(1)(b)(i); or

[~~(ii)~~] (B) are prohibited from filing a modified feasibility request under Subsection 10-2a-505(3).

(b) Beginning January 1, 2027, a feasibility request counts toward the limit described in Subsection (6)(b) once the feasibility request is first filed with the lieutenant governor, regardless of whether the request is withdrawn, rejected, or prohibited from proceeding.

Section 2. Section **10-2a-503** is amended to read:

10-2a-503 (Effective upon governor's approval) (Repealed 01/01/31). Processing a feasibility request -- Certification or rejection -- Processing priority -- Determination by the Utah Population Committee.

(1)(a) [~~Within~~] Subject to Subsection (1)(b), within 45 days after the day on which an individual files a feasibility request under Section 10-2a-502, the lieutenant governor shall:

[~~(a)~~] (i) determine whether the feasibility request complies with Section 10-2a-502; and

[~~(b)~~] (ii) notify the clerk of the county where the proposed preliminary municipality area is located, in writing, of the determination made under Subsection [~~(1)(a)~~] (1)(a)(i) and the grounds for the determination.

(b) After the effective date of this bill, the lieutenant governor shall cease taking any action on a feasibility request as described in this part.

(2) A county clerk shall comply with a request by the lieutenant governor to provide information or a record to the lieutenant governor or to a sponsor of the feasibility request, to assist in complying with this part, within five calendar days after the day on which the lieutenant governor makes the request.

(3) If the lieutenant governor determines that the feasibility request complies with Section 10-2a-502, the lieutenant governor shall:

(a) certify the feasibility request; and

(b) transmit written notification of the certification to the primary sponsor contact, the county clerk, and the Utah Population Committee.

(4) If the lieutenant governor determines that the feasibility request fails to comply with Section 10-2a-502, the lieutenant governor shall reject the feasibility request and notify the primary sponsor contact and the county clerk, in writing, of the rejection and the grounds for the rejection.

(5)(a) Within 20 days after the day on which the lieutenant governor transmits written notification under Subsection (3)(b), the Utah Population Committee shall:

(i) determine whether, based on the map or plat described in Subsection

10-2a-502(5)(e), the proposed preliminary municipality will, when all phases of the map or plat are completed, likely comply with the population, population density, and contiguity requirements described in Section 10-2a-502; and

(ii) provide notice of the determination to the lieutenant governor and the county clerk.

(b) If the Utah Population Committee determines, under Subsection (5)(a)(i), that, when all phases of the plan or plat are completed, the proposed preliminary[-] municipality will not likely comply with the population, population density, and contiguity requirements described in Section 10-2a-502, the lieutenant governor shall rescind the certification described in Subsection (3) and reject the feasibility request.

(6) The lieutenant governor shall certify or reject feasibility requests in the order in which the requests are filed.

(7)(a) If the lieutenant governor determines, under Subsection (4), that the feasibility request fails to comply with Section 10-2a-502, or rejects the feasibility request under Subsection (5)(b), the sponsors may, subject to Subsection (7)(c) and Section 10-2a-505, amend the feasibility request to correct the deficiencies and refile the feasibility request with the lieutenant governor.

(b) Except as provided in Subsection (7)(c), the sponsors may submit an amended feasibility request within 90 days after the day on which the lieutenant governor makes the determination or rejection described in Subsection (7)(a).

(c) The sponsors may not submit an amended feasibility request:

(i) more than once; or

(ii) after the effective date of this bill.

(d) [~~The~~] Subject to Subsection (1)(b), the lieutenant governor shall consider a feasibility request that is amended and refiled under Subsection (7)(a) as a newly filed feasibility request and process the feasibility request in accordance with this section.

Section 3. Section **10-2a-504** is amended to read:

10-2a-504 (Effective upon governor's approval) (Repealed 01/01/31). Feasibility study -- Feasibility study consultant -- Qualifications for proceeding with incorporation.

(1)(a) Unless the lieutenant governor rescinds the certification under Subsection 10-2a-503(5)(b), the lieutenant governor shall, within 90 days after the day on which the lieutenant governor certifies a feasibility request under Subsection 10-2a-503(3)(a), in accordance with Subsection (2), engage a feasibility consultant to

conduct a feasibility study.

(b) Notwithstanding Subsection (1)(a), the lieutenant governor may not engage a feasibility consultant to conduct a feasibility study described in this part after the effective date of this bill.

(c) If the lieutenant governor has engaged a feasibility consultant as described in this section and the feasibility consultant has not completed the feasibility study or a supplemental feasibility study on or before the effective date of this bill, the lieutenant governor shall direct the feasibility consultant to immediately cease work on the feasibility study.

(2) The lieutenant governor shall:

(a) select a feasibility consultant in accordance with Title 63G, Chapter 6a, Utah Procurement Code;

(b) ensure that the feasibility consultant:

(i) has expertise in the processes and economics of local government; and

(ii) is not affiliated with a sponsor of the feasibility request or the county in which the proposed municipality is located; and

(c) if applicable, require the feasibility consultant to:

(i) submit a draft of the feasibility study to each applicable person with whom the feasibility consultant is required to consult under Subsection (3)(c) within 90 days after the day on which the lieutenant governor engages the feasibility consultant to conduct the study;

(ii) allow each person to whom the consultant provides a draft under Subsection (2)(c)(i) to review and provide comment on the draft;

(iii) submit a completed feasibility study, including a one-page summary of the results, to the following within 120 days after the day on which the lieutenant governor engages the feasibility consultant to conduct the feasibility study:

(A) the lieutenant governor;

(B) the county legislative body of the county in which the proposed preliminary municipality area is located;

(C) the primary sponsor contact; and

(D) each person to whom the consultant provided a draft under Subsection (2)(c)(i); and

(iv) attend the public hearings described in Section 10-2a-506 to present the feasibility study results and respond to questions from the public.

(3)(a) The feasibility study shall include:

(i) an analysis of:

(A) the likely population and population density within the proposed preliminary municipality area when all phases of the map or plat for the proposed preliminary municipality area are completed; and

(B) the population and population density of the area surrounding the proposed preliminary municipality area on the day on which the feasibility request was submitted;

(ii) an analysis of the following, determined as if, at the time of the analysis, the proposed preliminary municipality area is incorporated as a town with a population of 100 people:

(A) the initial and projected five-year demographics and tax base within the boundaries of the proposed preliminary municipality area and the surrounding area, including household size and income, commercial and industrial development, and public facilities;

(B) subject to Subsection (3)(b), the initial and five-year projected cost of providing municipal services to the proposed preliminary municipality area, including administrative costs;

(C) assuming the same tax categories and tax rates as imposed by the county and all other current service providers at the time during which the feasibility consultant prepares the feasibility study, the initial and five-year projected revenue for the proposed preliminary municipality area;

(D) the risks and opportunities that might affect the actual costs described in Subsection (3)(a)(ii)(B) or the revenues described in Subsection (3)(a)(ii)(C) of the proposed preliminary municipality area;

(E) new revenue sources that may be available to the proposed preliminary municipality area that are not available before the area incorporates, including an analysis of the amount of revenues the proposed preliminary municipality area might obtain from those revenue sources;

(F) the projected tax burden per household of any new taxes that may be levied within the proposed preliminary municipality area within five years after incorporation as a town; and

(G) the fiscal impact of the proposed preliminary municipality area's incorporation as a town on unincorporated areas, other municipalities, special districts,

special service districts, and other governmental entities in the county; and

(iii) an analysis regarding whether sufficient water will be available to support the proposed preliminary municipality area when the development of the area is complete.

(b)(i) In calculating the projected costs under Subsection (3)(a)(ii)(B), the feasibility consultant shall assume the proposed preliminary municipality area will provide a level and quality of municipal services that fairly and reasonably approximate the level and quality of municipal services that are provided to the area surrounding the proposed preliminary municipality area at the time the feasibility consultant conducts the feasibility study.

(ii) In calculating the current cost of a municipal service under Subsection (3)(a)(ii)(B), the feasibility consultant shall consider:

(A) the amount it would cost the proposed preliminary municipality area to provide the municipal service for the first five years after the area incorporates as a town; and

(B) the proposed or current municipal service provider's initial and five-year projected cost of providing the municipal service after the proposed preliminary municipality area incorporates as a town.

(iii) In calculating costs under Subsection (3)(a)(ii)(B), the feasibility consultant shall account for inflation and anticipated growth.

(c) In conducting the feasibility study, the feasibility consultant shall consult with the following before submitting a draft of the feasibility study under Subsection (2)(c)(iii):

(i) if the proposed preliminary municipality will include lands owned by the United States federal government, the entity within the United States federal government that has jurisdiction over the land;

(ii) if the proposed preliminary municipality will include lands owned by the state, the entity within state government that has jurisdiction over the land;

(iii) each entity that provides, or is proposed to provide, a municipal service to a portion of the proposed preliminary municipality area; and

(iv) each other special service district that provides, or is proposed to provide, services to a portion of the proposed preliminary municipality area.

(4) If the five-year projected revenues calculated under Subsection (3)(a)(ii)(C) exceed the five-year projected costs calculated under Subsection (3)(a)(ii)(B) by more than 5%, the feasibility consultant shall project and report the expected annual revenue surplus to the

primary sponsor contact and the lieutenant governor.

(5)(a) Except as provided in Subsection (5)(b), if the results of the feasibility study, or a supplemental feasibility study described in Section 10-2a-505, show that the average annual amount of revenue calculated under Subsection (3)(a)(ii)(C) does not exceed the average annual cost calculated under Subsection (3)(a)(ii)(B) by more than 5%, the process to incorporate the area that is the subject of the feasibility study or supplemental feasibility study may not proceed.

(b) Except as provided in Subsection 10-2a-505(3), the process to incorporate an area described in Subsection (5)(a) may proceed if a subsequent supplemental feasibility study conducted under Section 10-2a-505 for the proposed incorporation demonstrates compliance with Subsection (5)(a).

(6) If the results of the feasibility study or revised feasibility study do not comply with Subsection (5), and if requested by the sponsors of the request, the feasibility consultant shall, as part of the feasibility study or revised feasibility study, make recommendations regarding how the proposed preliminary municipality area may be altered to comply with Subsection (5), unless the sponsors are precluded from modifying the feasibility request under [~~Subsection 10-2a-505(3)~~] Section 10-2a-505.

(7) The lieutenant governor shall post a copy of the feasibility study, and any supplemental feasibility study described in Section 10-2a-505, on the lieutenant governor's website and make a copy available for public review at the lieutenant governor's office.

Section 4. Section **10-2a-505** is amended to read:

10-2a-505 (Effective upon governor's approval) (Repealed 01/01/31). Modified feasibility request -- Supplemental feasibility study.

(1)(a) [~~The~~] On or before the effective date of this bill, the sponsors of a feasibility request may modify the request to alter the boundaries of the proposed preliminary municipality area and refile the modified feasibility request with the lieutenant governor if:

(i) the results of the feasibility study do not comply with Subsection 10-2a-504(5)(a); or

(ii)(A) the feasibility request complies with Subsection 10-2a-502(3)(a);

(B) the annexation petition described in Subsection 10-2a-502(3)(a) that proposed the annexation of an area that is part of the proposed preliminary municipality area has been denied; and

(C) a petition for incorporation described in Section 10-2a-507, based on the

feasibility request, has not been filed.

(b)[~~(i)~~] The sponsors of a feasibility request may not file a modified request:

(i) under Subsection (1)(a)(i) more than 90 days after the day on which the feasibility consultant submits the final results of the feasibility study under Subsection 10-2a-504(2)(c)(iii)[~~.~~] ;

(ii) [~~The sponsors of a feasibility request may not file a modified request~~]under Subsection (1)(a)(ii) more than 18 months after filing the original feasibility request under Section 10-2a-502[~~.~~] ; or

(iii) after the effective date of this bill.

(c) A modified feasibility request under Subsection (1)(a) shall comply with Subsections 10-2a-502(1) through (4).

(d) Within 20 days after the day on which the lieutenant governor receives the modified request, the lieutenant governor shall follow the same procedure described in Subsections 10-2a-503(1) through (4) for the modified feasibility request as for an original feasibility request.

(2) The timely filing of a modified feasibility request under Subsection (1) gives the modified feasibility request the same processing priority under Subsection 10-2a-503(6) as the original feasibility request.

[~~(3) The sponsors of a feasibility request may not file a modified feasibility request under Subsection (1)(a)(i) more than once.~~]

[~~(4)~~] (3) Within 10 days after the day on which the county clerk receives a modified feasibility request under Subsection (1)(a) that relates to a request for which a feasibility study has already been completed, the lieutenant governor shall commission the feasibility consultant who conducted the feasibility study to conduct a supplemental feasibility study that accounts for the modified feasibility request.

[~~(5)~~] (4) [~~The~~] Subject to Subsection 10-2a-504(1)(c), the lieutenant governor shall require the feasibility consultant to:

(a) submit a draft of the supplemental feasibility study to each applicable person with whom the feasibility consultant is required to consult under Subsection 10-2a-504(3)(c) within 30 days after the day on which the feasibility consultant is engaged to conduct the supplemental study;

(b) allow each person to whom the consultant provided a draft under Subsection [~~(5)(a)~~] (4)(a) to review and provide comment on the draft; and

(c) submit a completed supplemental feasibility study, to the following within 45 days

after the day on which the feasibility consultant is engaged to conduct the feasibility study:

(i) the lieutenant governor;

(ii) the county legislative body of the county in which the incorporation is proposed;

(iii) the primary sponsor contact; and

(iv) each person to whom the consultant provided a draft under Subsection [~~(5)(a)~~] (4)(a).

[~~(6)~~] (5)(a) Subject to [~~Subsections (3) and (6)(b)~~] Subsection (5)(b), if the results of the supplemental feasibility study do not comply with Subsection 10-2a-504(4), the sponsors may further modify the request in accordance with Subsection (1).

(b) Subsections [~~(1)(d), (4), and (5)~~] (1), (3), and (4) apply to a modified feasibility request described in Subsection [~~(6)(a)~~] (5)(a).

(c) The lieutenant governor shall consider a modified feasibility request described in Subsection [~~(6)(a)~~] (5)(a) as an original feasibility request for purposes of determining the modified feasibility request's processing priority under Subsection 10-2a-503(6).

Section 5. Section **10-2a-506** is amended to read:

10-2a-506 (Effective upon governor's approval) (Repealed 01/01/31). Public hearings on feasibility study results -- Notice of hearings.

(1)(a) [~~If~~] Subject to Subsection (1)(b), if the results of the feasibility study or supplemental feasibility study comply with Subsection 10-2a-504(4), the lieutenant governor shall, after receipt of the results of the feasibility study or supplemental feasibility study, conduct public hearings in accordance with this section.

(b) The lieutenant governor may not conduct public hearings in accordance with this section after the effective date of this bill.

(2)(a) If a portion of the proposed preliminary municipality area is approved for annexation after the feasibility study or supplemental feasibility study is conducted but before the lieutenant governor conducts a public hearing under Subsection (4), the lieutenant governor may not conduct the public hearing under Subsection (4) unless:

(i) the sponsors of the feasibility study file a modified feasibility request in accordance with Section 10-2a-505; and

(ii) the results of the supplemental feasibility study comply with Subsection 10-2a-504(4).

(b) For purposes of Subsection (2)(a), an area is approved for annexation if a municipal

legislative body:

(i) approves an annexation petition proposing the annexation of an area that is part of the proposed preliminary municipality area under Section 10-2-810 or 10-2-811; or

(ii) adopts an ordinance approving the annexation of an area that is part of the proposed preliminary municipality area under Section 10-2-812.

(3) The lieutenant governor shall conduct a public hearing:

(a) within 60 days after the day on which the lieutenant governor receives the results under Subsection (1) or (2)(a)(ii);

(b) at a location within or near the proposed preliminary municipality; and

(c) to allow the feasibility consultant to present the results of the feasibility study and inform the public about the results.

(4) The lieutenant governor shall:

(a) conduct an additional public hearing following each occasion when, after the day of the initial public hearing, the lieutenant governor receives the results of a supplemental feasibility study that comply with Subsection 10-2a-504(4); and

(b) hold the public hearing described in Subsection (4)(a):

(i) within 30 days after the day on which the lieutenant governor receives the results of the supplemental feasibility study;

(ii) at a location within or near the proposed preliminary municipality;

(iii) to inform the public that the feasibility presented to the public at the preceding public hearing does not apply; and

(iv) to allow the feasibility consultant to present the results of the supplemental feasibility study and inform the public about the results.

(5) At each public hearing required under this section, the lieutenant governor shall:

(a) provide a map or plat of the boundary of the proposed preliminary municipality;

(b) provide a copy of the applicable feasibility study for public review;

(c) allow members of the public to express views about the proposed preliminary municipality, including views about the proposed boundaries; and

(d) allow the public to ask the feasibility consultant questions about the applicable feasibility study.

(6) The lieutenant governor shall publish notice of each public hearing required under this section for the proposed preliminary municipality area, as a class B notice under Section 63G-30-102, for at least three weeks before the day of the public hearing.

(7)(a) Except as provided in Subsection (7)(b), for a hearing described in this section,

the notice described in Subsection (6) shall:

(i) include the feasibility study summary described in Subsection 10-2a-504(2)(c)(iii); and

(ii) indicate that a full copy of the feasibility study is available on the lieutenant governor's website and for inspection at the lieutenant governor's office.

(b) Instead of publishing the feasibility summary under Subsection (7)(a)(i), the lieutenant governor may publish a statement that specifies the following sources where a person may view or obtain a copy of the feasibility study:

(i) the lieutenant governor's website;

(ii) the lieutenant governor's office; and

(iii) a mailing address and telephone number.

Section 6. Section **10-2a-507** is amended to read:

10-2a-507 (Effective upon governor's approval) (Repealed 01/01/31). Petition for incorporation -- Requirements and form.

(1) At any time on or before the effective date of this bill and within one year after the day on which the lieutenant governor completes the public hearings required under Section 10-2a-506, the owners of the property who filed the feasibility request under Section 10-2a-502 for the proposed preliminary municipality area may proceed with the incorporation process by filing a petition for incorporation of the proposed preliminary municipality that:

(a) includes the typed or printed name, signature, address, and phone number of the initial landowners;

(b) describes the proposed preliminary municipality area, as described in the feasibility request or the modified feasibility request;

(c) demonstrates compliance with Subsection 10-2a-504(4);

(d) states the proposed name for the proposed preliminary municipality;

(e) designates the primary sponsor contact for the proposed preliminary municipality;

(f) designates the board chair and three of the four board members who will serve as a five member council form of government for the preliminary municipality, described in Section 10-3b-402, for the preliminary municipality;

(g) is accompanied by an accurate map or plat, prepared by a licensed surveyor, showing:

(i) the boundaries of the proposed preliminary municipality; and

(ii) a single development plan for the proposed municipality, depicting each phase of the development;

(h) is accompanied by a bond, cash deposit, or letter of credit that:

(i) is posted by the initial landowners;

(ii) is in favor of the proposed preliminary municipality, to guarantee that the initial landowners will complete the system infrastructure no later than six years after the day on which the initial landowners file the petition for incorporation described in this section; and

(iii) will be refunded to the initial landowners in percentages that reflect the progress toward completing the system infrastructure; and

(i) is accompanied by payment in full, from the initial landowners, of the costs incurred by the lieutenant governor for the feasibility study, the public notices, the hearings, and the other expenses incurred by the lieutenant governor to comply with the requirements of this part in relation to the proposed preliminary municipality.

(2) If, within six years after the day on which the initial landowners file a petition for incorporation under Subsection (1), the system infrastructure for the preliminary municipality is not completed, the portion of the bond, cash deposit, or letter of credit described in Subsection (1)(h) that has not been refunded to the initial landowners shall forfeit to the preliminary municipality.

[~~(3) If, within four years after the day on which the first residential certificate of occupancy is issued for the development described in Subsection 10-2a-503(5)(c), or six years after the day on which the initial landowners file a petition for incorporation under Subsection (1), the preliminary municipality has not transitioned to a town:~~]

[~~(a) the lieutenant governor shall issue a certificate dissolving the preliminary municipality;~~]

[~~(b) all roads and infrastructure within the preliminary municipality revert to the county in which the preliminary municipality is located;~~]

[~~(c) the area within the proposed municipality falls under the jurisdiction of the county and is no longer incorporated; and~~]

[~~(d) the initial landowners are liable to the county for damages caused to the county due to the dissolution of the preliminary municipality.~~]

Section 7. Section **10-2a-508** is amended to read:

10-2a-508 (Effective upon governor's approval) (Repealed 01/01/31). Processing of petition by lieutenant governor -- Certification or rejection -- Petition modification.

(1) Within 45 days after the day on which a petition for incorporation is filed under Section 10-2a-507, but no later than the effective date of this bill, the lieutenant governor shall:

(a) determine whether the petition for incorporation complies with Section 10-2a-507; and

(b)(i) if the lieutenant governor determines that the petition for incorporation complies with Section 10-2a-507, incorporate the preliminary municipality, issue a certificate of incorporation, and appoint the board chair and three board members designated under Subsection 10-2a-507(1)(f); or

(ii) if the lieutenant governor determines that the petition for incorporation fails to comply with Section 10-2a-507, reject the petition for incorporation and notify the primary sponsor contact in writing of the rejection and the reasons for the rejection.

(2)(a) [~~If~~] Subject to Subsection (2)(b), if the lieutenant governor rejects a petition for incorporation under Subsection (1)(b)(ii), the sponsors of the petition for incorporation may correct the deficiencies for which the petition for incorporation was rejected and refile the petition for incorporation with the lieutenant governor.

(b)(i) Notwithstanding the deadline described in Subsection 10-2a-507(1) and subject to Subsection (2)(b)(ii), the sponsors of the petition for incorporation may file a modified petition for incorporation under Subsection (2)(a) no later than 30 days after the day on which the lieutenant governor notifies the primary sponsor contact of the rejection under Subsection (1)(b)(ii).

(ii) After the effective date of this bill, the sponsors of a petition for incorporation that is rejected under Subsection (1)(b)(ii) may not refile the petition for incorporation.

(3)(a) Within 20 days after the day on which the lieutenant governor receives a modified petition for incorporation under Subsection (2)(a), but before the effective date of this bill, the lieutenant governor shall review the modified petition for incorporation in accordance with Subsection (1).

(b) The sponsors of a petition for incorporation may not modify the petition for incorporation more than once.

Section 8. Section **10-2a-509** is amended to read:

10-2a-509 (Effective upon governor's approval) (Repealed 01/01/31). Governance of preliminary municipality -- Utilities -- Road maintenance.

(1)(a) Within 30 days after the day on which the lieutenant governor issues a certificate of incorporation described in Subsection 10-2a-508(1)(b)(i), the county in which the preliminary municipality is located shall appoint one board member for the

preliminary municipality.

(b) If the county fails to timely comply with Subsection (1)(a), the board chair and the three board members appointed under Subsection 10-2a-508(1)(b)(i) shall, by majority vote, appoint the final board member.

(2) The board chair and board members, described in Subsection (1), of a preliminary municipality:

(a) are not required to be residents of the preliminary municipality; and

(b) shall serve as the board for the preliminary municipality until replaced by election under Section 10-2a-510.

(3)(a) Within 14 days after the day on which the first residential certificate of occupancy is issued for the development described in Subsection 10-2a-503(5)(e), the engineer described in Subsection [~~10-2a-509(6),~~] (7) shall notify the county and the lieutenant governor, in writing:

(i) that the first residential certificate of occupancy has been issued for the preliminary municipality;

(ii) of the date on which the first residential certificate of occupancy was issued; and

(iii) of the physical address for which the first residential certificate of occupancy was issued.

(b) No later than the next municipal general election, or regular general election, that is at least 30 days after the date described in Subsection (3)(a)(ii), the initial landowners shall:

(i) replace the board chair or a board member with an individual who is a resident of the preliminary municipality; and

(ii) notify the county and the lieutenant governor of the appointment, in writing.

(4)(a) [~~Subject to Subsection (4)(b), a~~] A preliminary municipality has all the [~~powers and~~]duties of a municipality and only the municipal powers described in Subsection (4)(b).

(b) A preliminary municipality:

(i) may not impose a tax;

(ii) may enter into an interlocal agreement with the county, a municipality, or a special district to provide municipal services or utility services to the preliminary municipality;

(iii) has the [~~same~~]authority [~~as another municipality~~]to make decisions regarding zoning and land use within the boundaries of the preliminary municipality;

(iv) may not receive an allocation of sales tax or gas tax; and

(v) may not exercise eminent domain authority.

(5) As needed, the county shall provide all services and utility connections to the preliminary municipality that the county provides other areas in the county if the preliminary municipality:

(a) pays the uniformly assessed rates for the services and utilities and reasonable connection fees; and

(b) complies with the county's established regulations and specifications for the construction and connection of the local improvements.

(6) The preliminary municipality shall maintain and repair any roadway that, on the day on which the individual filed the feasibility request under Section 10-2a-502:

(a) existed within the preliminary municipality;

(b) was within a public right of way that abuts the preliminary municipality; or

(c) was within 1/2 mile of the preliminary municipality and connected to, or was proposed in the feasibility request to be connected to, the preliminary municipality.

(7) Before the preliminary municipality [~~submits a petition to transition~~] transitions to a town, the preliminary municipality shall select an independent third-party engineer to review and approve all building permit applications within the preliminary municipality to ensure compliance with the law.

(8)(a) Chapter 2, Classification, Boundaries, Consolidation, and Dissolution of Municipalities, does not apply to a preliminary municipality.

(b) The lieutenant governor shall issue a certificate dissolving a preliminary municipality within 10 days of the effective date of this bill.

(c) After a preliminary municipality is dissolved in accordance with Subsection (8)(b):

(i) all roads and infrastructure within the preliminary municipality revert to the county in which the preliminary municipality is located; and

(ii) the area within the proposed municipality falls under the jurisdiction of the county and is no longer incorporated.

(9) To the extent that a court determines a landowner within a preliminary municipality or a former preliminary municipality has vested rights as the result of the preliminary municipality's government action, no new vested rights may be created for the landowner after the effective date of this bill unless the vested rights are the result of the county's actions.

Section 9. Section **63I-1-210** is amended to read:

63I-1-210 (Effective upon governor's approval). Repeal dates: Title 10.

(1) Subsection 10-1-104(5)(c), regarding a preliminary municipality, is repealed January 1, 2031.

(2) Subsection 10-2a-201.5(1)(b), regarding a preliminary municipality, is repealed January 1, 2031.

(3) Subsection 10-2a-202(5), regarding a feasibility request, is repealed January 1, 2031.

(4) Title 10, Chapter 2a, Part 5, Incorporation of a Preliminary Municipality, is repealed [~~January 1, 2031~~] July 1, 2027.

(5) Subsection 10-20-305(2), authorizing a municipality to coordinate with the exempted government landowner to develop a prospective land use regulation or general plan amendment for a parcel of state-owned land, is repealed January 1, 2036.

Section 10. **Repealer.**

This bill repeals:

Section **10-2a-510, Transitioning from a preliminary municipality to a town -- Petition -- Election of officers.**

Section 11. **Effective Date.**

This bill takes effect:

(1) except as provided in Subsection (2), May 5, 2027; or

(2) if approved by two-thirds of all members elected to each house:

(a) upon approval by the governor;

(b) without the governor's signature, the day following the constitutional time limit of Utah Constitution, Article VII, Section 8; or

(c) in the case of a veto, the date of veto override.