

Part 13 Dissolution of a Local District

17B-1-1301 Definitions.

For purposes of this part:

- (1) "Active" means, with respect to a local district, that the district is not inactive.
- (2) "Administrative body" means:
 - (a) if the local district proposed to be dissolved has a duly constituted board of trustees in sufficient numbers to form a quorum, the board of trustees; or
 - (b) except as provided in Subsection (2)(a):
 - (i) for a local district located entirely within a single municipality, the legislative body of that municipality;
 - (ii) for a local district located in multiple municipalities within the same county or at least partly within the unincorporated area of a county, the legislative body of that county; or
 - (iii) for a local district located within multiple counties, the legislative body of the county whose boundaries include more of the local district than is included within the boundaries of any other county.
- (3) "Clerk" means:
 - (a) the board of trustees if the board is also the administrative body under Subsection (2)(a);
 - (b) the clerk or recorder of the municipality whose legislative body is the administrative body under Subsection (2)(b)(i); or
 - (c) the clerk of the county whose legislative body is the administrative body under Subsection (2)(b)(ii) or (iii).
- (4) "Inactive" means, with respect to a local district, that during the preceding three years the district has not:
 - (a) provided any service or otherwise operated;
 - (b) received property taxes or user or other fees; and
 - (c) expended any funds.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-1302 Local district dissolution.

A local district may be dissolved as provided in this part.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-1303 Initiation of dissolution process.

The process to dissolve a local district may be initiated by:

- (1) for an inactive local district:
 - (a)
 - (i) for a local district whose board of trustees is elected by electors based on the acre-feet of water allotted to the land owned by the elector, a petition signed by the owners of 25% of the acre-feet of water allotted to the land within the local district; or
 - (ii) for all other districts:
 - (A) a petition signed by the owners of private real property that:
 - (I) is located within the local district proposed to be dissolved;
 - (II) covers at least 25% of the private land area within the local district; and

- (III) is equal in assessed value to at least 25% of the assessed value of all private real property within the local district; or
 - (B) a petition signed by registered voters residing within the local district proposed to be dissolved equal in number to at least 25% of the number of votes cast in the district for the office of governor at the last regular general election before the filing of the petition; or
 - (b) a resolution adopted by the administrative body; and
- (2) for an active local district, a petition signed by:
- (a) for a local district whose board of trustees is elected by electors based on the acre-feet of water allotted to the land owned by the elector, a petition signed by the owners of 100% of the acre-feet of water allotted to the land within the local district; or
 - (b) for all other districts, the owners of 100% of the private real property located within or 100% of registered voters residing within the local district proposed to be dissolved.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-1304 Petition requirements.

- (1) Each petition under Subsection 17B-1-1303(1)(a) or (2) shall:
- (a) indicate the typed or printed name and current residence address of each owner of acre-feet of water, property owner, or registered voter signing the petition;
 - (b) if it is a petition signed by the owners of acre-feet of water or property owners, indicate the address of the property as to which the owner is signing;
 - (c) designate up to three signers of the petition as sponsors, one of whom shall be designated the contact sponsor, with the mailing address and telephone number of each; and
 - (d) be filed with the clerk.
- (2) A signer of a petition to dissolve a local district may withdraw, or, once withdrawn, reinstate the signer's signature at any time until 30 days after the public hearing under Section 17B-1-1306.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-1305 Petition certification.

- (1) Within 30 days after the filing of a petition under Subsection 17B-1-1303(1)(a) or (2), the clerk shall:
- (a) with the assistance of officers of the county in which the local district is located from whom the clerk requests assistance, determine whether the petition meets the requirements of Section 17B-1-1303 and Subsection 17B-1-1304(1); and
 - (b)
 - (i) if the clerk determines that the petition complies with the requirements, certify the petition and mail or deliver written notification of the certification to the contact sponsor; or
 - (ii) if the clerk determines that the petition fails to comply with any of the requirements, reject the petition and mail or deliver written notification of the rejection and the reasons for the rejection to the contact sponsor.
- (2)
- (a) If the clerk rejects a petition under Subsection (1)(b)(ii), the petition may be amended to correct the deficiencies for which it was rejected and then refiled.
 - (b) A valid signature on a petition that was rejected under Subsection (1)(b)(ii) may be used toward fulfilling the applicable signature requirement of the petition as amended under Subsection (2)(a).

- (3) The clerk shall process an amended petition filed under Subsection (2)(a) in the same manner as an original petition under Subsection (1).

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-1306 Public hearing.

- (1) For each petition certified under Section 17B-1-1305 and each resolution adopted under Subsection 17B-1-1303(1)(b), the administrative body shall hold a public hearing on the proposed dissolution.
- (2) Each public hearing under Subsection (1) shall be held:
 - (a) no later than 45 days after certification of the petition under Section 17B-1-1305 or adoption of a resolution under Subsection 17B-1-1303(1)(b), as the case may be;
 - (b) within the local district proposed to be dissolved;
 - (c) on a weekday evening other than a holiday beginning no earlier than 6 p.m.; and
 - (d) for the purpose of allowing:
 - (i) the public to ask questions and obtain further information about the proposed dissolution and issues raised by it; and
 - (ii) any interested person to address the administrative body concerning the proposed dissolution.
- (3) A quorum of the administrative body shall be present throughout each public hearing under this section.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-1307 Notice of public hearing and of dissolution.

- (1) Before holding a public hearing required under Section 17B-1-1306, the administrative body shall:
 - (a)
 - (i) publish notice of the public hearing and of the proposed dissolution:
 - (A) in a newspaper of general circulation within the local district proposed to be dissolved; and
 - (B) on the Utah Public Notice Website created in Section 63F-1-701, for 30 days before the public hearing; and
 - (ii) post notice of the public hearing and of the proposed dissolution in at least four conspicuous places within the local district proposed to be dissolved, no less than five and no more than 30 days before the public hearing; or
 - (b) mail a notice to each owner of property located within the local district and to each registered voter residing within the local district.
- (2) Each notice required under Subsection (1) shall:
 - (a) identify the local district proposed to be dissolved and the service it was created to provide; and
 - (b) state the date, time, and location of the public hearing.

Amended by Chapter 90, 2010 General Session

17B-1-1308 Dissolution resolution -- Limitations on dissolution -- Distribution of remaining assets -- Notice to lieutenant governor -- Recording requirements.

- (1) After the public hearing required under Section 17B-1-1306 and subject to Subsection (2), the administrative body may adopt a resolution approving dissolution of the local district.

- (2) A resolution under Subsection (1) may not be adopted unless:
 - (a) any outstanding debt of the local district is:
 - (i) satisfied and discharged in connection with the dissolution; or
 - (ii) assumed by another governmental entity with the consent of all the holders of that debt and all the holders of other debts of the local district;
 - (b) for a local district that has provided service during the preceding three years or undertaken planning or other activity preparatory to providing service:
 - (i) another entity has committed to provide the same service to the area being served or proposed to be served by the local district; and
 - (ii) all who are to receive the service have consented to the service being provided by the other entity; and
 - (c) all outstanding contracts to which the local district is a party are resolved through mutual termination or the assignment of the district's rights, duties, privileges, and responsibilities to another entity with the consent of the other parties to the contract.
- (3)
 - (a)
 - (i) Any assets of the local district remaining after paying all debts and other obligations of the local district shall be used to pay costs associated with the dissolution process under this part.
 - (ii) Any costs of the dissolution process remaining after exhausting the remaining assets of the local district under Subsection (3)(a)(i) shall be paid by the administrative body.
 - (b) Any assets of the local district remaining after application of Subsection (3)(a) shall be distributed:
 - (i) proportionately to the owners of real property within the dissolved local district if there is a readily identifiable connection between a financial burden borne by the real property owners in the district and the remaining assets; or
 - (ii) except as provided in Subsection (3)(b)(i), to each county, city, town, or metro township in which the dissolved local district was located before dissolution in the same proportion that the land area of the local district located within the unincorporated area of the county or within the city, town, or metro township bears to the total local district land area.
- (4)
 - (a) The administrative body shall:
 - (i) within 30 days after adopting a resolution approving dissolution, file with the lieutenant governor a copy of a notice of an impending boundary action, as defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and
 - (ii) upon the lieutenant governor's issuance of a certificate of dissolution under Section 67-1a-6.5:
 - (A) if the local district was located within the boundary of a single county, submit to the recorder of that county:
 - (I) the original:
 - (Aa) notice of an impending boundary action; and
 - (Bb) certificate of dissolution; and
 - (II) a certified copy of the resolution adopted under Subsection (1); or
 - (B) if the local district was located within the boundaries of more than a single county:
 - (I) submit to the recorder of one of those counties:
 - (Aa) the original of the documents listed in Subsections (4)(a)(ii)(A)(I)(Aa) and (Bb); and
 - (Bb) a certified copy of the resolution adopted under Subsection (1); and
 - (II) submit to the recorder of each other county:

(Aa) a certified copy of the documents listed in Subsections (4)(a)(ii)(A)(I)(Aa) and (Bb);
and

(Bb) a certified copy of the resolution adopted under Subsection (1).

(b) Upon the lieutenant governor's issuance of the certificate of dissolution under Section 67-1a-6.5, the local district is dissolved.

Amended by Chapter 176, 2016 General Session