Chapter 1
Provisions Applicable to All Local Districts

Part 1
General Provisions

17B-1-101 Title.
(1) This title is known as "Limited Purpose Local Government Entities - Local Districts."
(2) This chapter is known as "Provisions Applicable to All Local Districts."

Enacted by Chapter 329, 2007 General Session

17B-1-102 Definitions.
As used in this title:
(1) "Appointing authority" means the person or body authorized to make an appointment to the board of trustees.
(2) "Basic local district":
(a) means a local district that is not a specialized local district; and
(b) includes an entity that was, under the law in effect before April 30, 2007, created and operated as a local district, as defined under the law in effect before April 30, 2007.
(3) "Bond" means:
(a) a written obligation to repay borrowed money, whether denominated a bond, note, warrant, certificate of indebtedness, or otherwise; and
(b) a lease agreement, installment purchase agreement, or other agreement that:
(i) includes an obligation by the district to pay money; and
(ii) the district's board of trustees, in its discretion, treats as a bond for purposes of Title 11, Chapter 14, Local Government Bonding Act, or Title 11, Chapter 27, Utah Refunding Bond Act.
(4) "Cemetery maintenance district" means a local district that operates under and is subject to the provisions of this chapter and Chapter 2a, Part 1, Cemetery Maintenance District Act, including an entity that was created and operated as a cemetery maintenance district under the law in effect before April 30, 2007.
(5) "Drainage district" means a local district that operates under and is subject to the provisions of this chapter and Chapter 2a, Part 2, Drainage District Act, including an entity that was created and operated as a drainage district under the law in effect before April 30, 2007.
(6) "Facility" or "facilities" includes any structure, building, system, land, water right, water, or other real or personal property required to provide a service that a local district is authorized to provide, including any related or appurtenant easement or right-of-way, improvement, utility, landscaping, sidewalk, road, curb, gutter, equipment, or furnishing.
(7) "Fire protection district" means a local district that operates under and is subject to the provisions of this chapter and Chapter 2a, Part 3, Fire Protection District Act, including an entity that was created and operated as a fire protection district under the law in effect before April 30, 2007.
(8) "General obligation bond":
(a) means a bond that is directly payable from and secured by ad valorem property taxes that are:
(i) levied:
(A) by the district that issues the bond; and
(B) on taxable property within the district; and
(ii) in excess of the ad valorem property taxes of the district for the current fiscal year; and
(b) does not include:
(i) a short-term bond;
(ii) a tax and revenue anticipation bond; or
(iii) a special assessment bond.

(9) "Improvement assurance" means a surety bond, letter of credit, cash, or other security:
(a) to guarantee the proper completion of an improvement;
(b) that is required before a local district may provide a service requested by a service applicant; and
(c) that is offered to a local district to induce the local district before construction of an improvement begins to:
(i) provide the requested service; or
(ii) commit to provide the requested service.

(10) "Improvement assurance warranty" means a promise that the materials and workmanship of an improvement:
(a) comply with standards adopted by a local district; and
(b) will not fail in any material respect within an agreed warranty period.

(11) "Improvement district" means a local district that operates under and is subject to the provisions of this chapter and Chapter 2a, Part 4, Improvement District Act, including an entity that was created and operated as a county improvement district under the law in effect before April 30, 2007.

(12) "Irrigation district" means a local district that operates under and is subject to the provisions of this chapter and Chapter 2a, Part 5, Irrigation District Act, including an entity that was created and operated as an irrigation district under the law in effect before April 30, 2007.

(13) "Local district" means a limited purpose local government entity, as described in Section 17B-1-103, that operates under, is subject to, and has the powers set forth in:
(a) this chapter; or
(b)
(i) this chapter; and
(ii)
(A) Chapter 2a, Part 1, Cemetery Maintenance District Act;
(B) Chapter 2a, Part 2, Drainage District Act;
(C) Chapter 2a, Part 3, Fire Protection District Act;
(D) Chapter 2a, Part 4, Improvement District Act;
(E) Chapter 2a, Part 5, Irrigation District Act;
(F) Chapter 2a, Part 6, Metropolitan Water District Act;
(G) Chapter 2a, Part 7, Mosquito Abatement District Act;
(H) Chapter 2a, Part 8, Public Transit District Act;
(I) Chapter 2a, Part 9, Service Area Act;
(J) Chapter 2a, Part 10, Water Conservancy District Act;
(K) Chapter 2a, Part 11, Municipal Services District Act; or
(L) Chapter 2a, Part 12, Public Infrastructure District Act.

(14) "Metropolitan water district" means a local district that operates under and is subject to the provisions of this chapter and Chapter 2a, Part 6, Metropolitan Water District Act, including an entity that was created and operated as a metropolitan water district under the law in effect before April 30, 2007.
(15) "Mosquito abatement district" means a local district that operates under and is subject to the provisions of this chapter and Chapter 2a, Part 7, Mosquito Abatement District Act, including an entity that was created and operated as a mosquito abatement district under the law in effect before April 30, 2007.

(16) "Municipal" means of or relating to a municipality.

(17) "Municipality" means a city, town, or metro township.

(18) "Municipal services district" means a local district that operates under and is subject to the provisions of this chapter and Chapter 2a, Part 11, Municipal Services District Act.

(19) "Person" means an individual, corporation, partnership, organization, association, trust, governmental agency, or other legal entity.

(20) "Political subdivision" means a county, city, town, metro township, local district under this title, special service district under Title 17D, Chapter 1, Special Service District Act, an entity created by interlocal cooperation agreement under Title 11, Chapter 13, Interlocal Cooperation Act, or any other governmental entity designated in statute as a political subdivision of the state.

(21) "Private," with respect to real property, means not owned by the United States or any agency of the federal government, the state, a county, or a political subdivision.

(22) "Public entity" means:
(a) the United States or an agency of the United States;
(b) the state or an agency of the state;
(c) a political subdivision of the state or an agency of a political subdivision of the state;
(d) another state or an agency of that state; or
(e) a political subdivision of another state or an agency of that political subdivision.

(23) "Public infrastructure district" means a local district that operates under and is subject to the provisions of this chapter and Chapter 2a, Part 12, Public Infrastructure District Act.

(24) "Public transit district" means a local district that operates under and is subject to the provisions of this chapter and Chapter 2a, Part 8, Public Transit District Act, including an entity that was created and operated as a public transit district under the law in effect before April 30, 2007.

(25) "Revenue bond":
(a) means a bond payable from designated taxes or other revenues other than the local district's ad valorem property taxes; and
(b) does not include:
(i) an obligation constituting an indebtedness within the meaning of an applicable constitutional or statutory debt limit;
(ii) a tax and revenue anticipation bond; or
(iii) a special assessment bond.

(26) "Rules of order and procedure" means a set of rules that govern and prescribe in a public meeting:
(a) parliamentary order and procedure;
(b) ethical behavior; and
(c) civil discourse.

(27) "Service applicant" means a person who requests that a local district provide a service that the local district is authorized to provide.

(28) "Service area" means a local district that operates under and is subject to the provisions of this chapter and Chapter 2a, Part 9, Service Area Act, including an entity that was created and operated as a county service area or a regional service area under the law in effect before April 30, 2007.
(29) "Short-term bond" means a bond that is required to be repaid during the fiscal year in which the bond is issued.

(30) "Special assessment" means an assessment levied against property to pay all or a portion of the costs of making improvements that benefit the property.

(31) "Special assessment bond" means a bond payable from special assessments.

(32) "Specialized local district" means a local district that is a cemetery maintenance district, a drainage district, a fire protection district, an improvement district, an irrigation district, a metropolitan water district, a mosquito abatement district, a public transit district, a service area, a water conservancy district, a municipal services district, or a public infrastructure district.

(33) "Taxable value" means the taxable value of property as computed from the most recent equalized assessment roll for county purposes.

(34) "Tax and revenue anticipation bond" means a bond:
   (a) issued in anticipation of the collection of taxes or other revenues or a combination of taxes and other revenues; and
   (b) that matures within the same fiscal year as the fiscal year in which the bond is issued.

(35) "Unincorporated" means not included within a municipality.

(36) "Water conservancy district" means a local district that operates under and is subject to the provisions of this chapter and Chapter 2a, Part 10, Water Conservancy District Act, including an entity that was created and operated as a water conservancy district under the law in effect before April 30, 2007.

(37) "Works" includes a dam, reservoir, well, canal, conduit, pipeline, drain, tunnel, power plant, and any facility, improvement, or property necessary or convenient for supplying or treating water for any beneficial use, and for otherwise accomplishing the purposes of a local district.

Amended by Chapter 490, 2019 General Session

17B-1-103 Local district status and powers -- Registration as a limited purpose entity.
(1) A local district:
   (a) is:
      (i) a body corporate and politic with perpetual succession;
      (ii) a quasi-municipal corporation; and
      (iii) a political subdivision of the state; and
   (b) may sue and be sued.

(2) A local district may:
   (a) acquire, by any lawful means, or lease any real property, personal property, or a groundwater right necessary or convenient to the full exercise of the district's powers;
   (b) acquire, by any lawful means, any interest in real property, personal property, or a groundwater right necessary or convenient to the full exercise of the district's powers;
   (c) transfer an interest in or dispose of any property or interest described in Subsections (2)(a) and (b);
   (d) acquire or construct works, facilities, and improvements necessary or convenient to the full exercise of the district's powers, and operate, control, maintain, and use those works, facilities, and improvements;
   (e) borrow money and incur indebtedness for any lawful district purpose;
   (f) issue bonds, including refunding bonds:
      (i) for any lawful district purpose; and
      (ii) as provided in and subject to Part 11, Local District Bonds;
   (g) levy and collect property taxes:
(i) for any lawful district purpose or expenditure, including to cover a deficit resulting from tax
delinquencies in a preceding year; and
(ii) as provided in and subject to Part 10, Local District Property Tax Levy;
(h) as provided in Title 78B, Chapter 6, Part 5, Eminent Domain, acquire by eminent domain
property necessary to the exercise of the district's powers;
(i) invest money as provided in Title 51, Chapter 7, State Money Management Act;
(j)
(i) impose fees or other charges for commodities, services, or facilities provided by the district,
to pay some or all of the district's costs of providing the commodities, services, and facilities,
including the costs of:
(A) maintaining and operating the district;
(B) acquiring, purchasing, constructing, improving, or enlarging district facilities;
(C) issuing bonds and paying debt service on district bonds; and
(D) providing a reserve established by the board of trustees; and
(ii) take action the board of trustees considers appropriate and adopt regulations to assure the
collection of all fees and charges that the district imposes;
(k) if applicable, charge and collect a fee to pay for the cost of connecting a customer's property
to district facilities in order for the district to provide service to the property;
(l) enter into a contract that the local district board of trustees considers necessary, convenient,
or desirable to carry out the district's purposes, including a contract:
(i) with the United States or any department or agency of the United States;
(ii) to indemnify and save harmless; or
(iii) to do any act to exercise district powers;
(m) purchase supplies, equipment, and materials;
(n) encumber district property upon terms and conditions that the board of trustees considers
appropriate;
(o) exercise other powers and perform other functions that are provided by law;
(p) construct and maintain works and establish and maintain facilities, including works or
facilities:
(i) across or along any public street or highway, subject to Subsection (3) and if the district:
(A) promptly restores the street or highway, as much as practicable, to its former state of
usefulness; and
(B) does not use the street or highway in a manner that completely or unnecessarily impairs
the usefulness of it;
(ii) in, upon, or over any vacant public lands that are or become the property of the state,
including school and institutional trust lands, as defined in Section 53C-1-103, if the director
of the School and Institutional Trust Lands Administration, acting under Sections 53C-1-102
and 53C-1-303, consents; or
(iii) across any stream of water or watercourse, subject to Section 73-3-29;
(q) perform any act or exercise any power reasonably necessary for the efficient operation of the
local district in carrying out its purposes;
(r)
(i) except for a local district described in Subsection (2)(r)(ii), designate an assessment area
and levy an assessment on land within the assessment area, as provided in Title 11,
Chapter 42, Assessment Area Act; or
(ii) for a local district created to assess a groundwater right in a critical management area
described in Subsection 17B-1-202(1), designate an assessment area and levy an
assessment, as provided in Title 11, Chapter 42, Assessment Area Act, on a groundwater right to facilitate a groundwater management plan;

(s) contract with another political subdivision of the state to allow the other political subdivision to use the district's surplus water or capacity or have an ownership interest in the district's works or facilities, upon the terms and for the consideration, whether monetary or nonmonetary consideration or no consideration, that the district's board of trustees considers to be in the best interests of the district and the public;

(t) upon the terms and for the consideration, whether monetary or nonmonetary consideration or no consideration, that the district's board of trustees considers to be in the best interests of the district and the public, agree:

(i)
(A) with another political subdivision of the state; or
(B) with a public or private owner of property on which the district has a right-of-way or adjacent to which the district owns fee title to property; and

(ii) to allow the use of property:
(A) owned by the district; or
(B) on which the district has a right-of-way; and

(u) if the local district receives, as determined by the local district board of trustees, adequate monetary or nonmonetary consideration in return:

(i) provide services or nonmonetary assistance to a nonprofit entity;
(ii) waive fees required to be paid by a nonprofit entity; or
(iii) provide monetary assistance to a nonprofit entity, whether from the local district's own funds or from funds the local district receives from the state or any other source.

(3) With respect to a local district's use of a street or highway, as provided in Subsection (2)(p)(i):
(a) the district shall comply with the reasonable rules and regulations of the governmental entity, whether state, county, or municipal, with jurisdiction over the street or highway, concerning:

(i) an excavation and the refilling of an excavation;
(ii) the relaying of pavement; and
(iii) the protection of the public during a construction period; and

(b) the governmental entity, whether state, county, or municipal, with jurisdiction over the street or highway:

(i) may not require the district to pay a license or permit fee or file a bond; and
(ii) may require the district to pay a reasonable inspection fee.

(4)
(a) A local district may:

(i) acquire, lease, or construct and operate electrical generation, transmission, and distribution facilities, if:

(A) the purpose of the facilities is to harness energy that results inherently from the district's operation of a project or facilities that the district is authorized to operate or from the district providing a service that the district is authorized to provide;
(B) the generation of electricity from the facilities is incidental to the primary operations of the district; and
(C) operation of the facilities will not hinder or interfere with the primary operations of the district;

(ii)
(A) use electricity generated by the facilities; or
(B) subject to Subsection (4)(b), sell electricity generated by the facilities to an electric utility or municipality with an existing system for distributing electricity.
(b) A district may not act as a retail distributor or seller of electricity.
(c) Revenue that a district receives from the sale of electricity from electrical generation facilities it owns or operates under this section may be used for any lawful district purpose, including the payment of bonds issued to pay some or all of the cost of acquiring or constructing the facilities.

(5) A local district may adopt and, after adoption, alter a corporate seal.

(6)
(a) Each local district shall register and maintain the local district's registration as a limited purpose entity, in accordance with Section 67-1a-15.
(b) A local district that fails to comply with Subsection (6)(a) or Section 67-1a-15 is subject to enforcement by the state auditor, in accordance with Section 67-3-1.

(7)
(a) As used in this Subsection (7), "knife" means a cutting instrument that includes a sharpened or pointed blade.
(b) The authority to regulate a knife is reserved to the state except where the Legislature specifically delegates responsibility to a local district.
(c) Unless specifically authorized by the Legislature by statute, a local district may not adopt or enforce a regulation or rule pertaining to a knife.

Amended by Chapter 256, 2018 General Session

17B-1-104 Property owner provisions.
(1) For purposes of this title:
(a) the owner of real property shall be:
   (i) except as provided in Subsection (1)(a)(ii), the fee title owner according to the records of the county recorder on the date of the filing of the request or petition; or
   (ii) for a proposed annexation under Part 4, Annexation, the lessee of military land, as defined in Section 63H-1-102, if the area proposed for annexation includes military land that is within a project area described in a project area plan adopted by the military installation development authority under Title 63H, Chapter 1, Military Installation Development Authority Act; and
(b) the value of private real property shall be determined according to the last assessment before the filing of the request or petition, as determined by:
   (i) the county under Title 59, Chapter 2, Part 3, County Assessment, for property subject to assessment by the county;
   (ii) the State Tax Commission under Title 59, Chapter 2, Part 2, Assessment of Property, for property subject to assessment by the State Tax Commission; or
   (iii) the county, for all other property.
(2) For purposes of each provision of this title that requires the owners of private real property covering a percentage of the total private land area within the proposed local district to sign a request, petition, or protest:
(a) a parcel of real property may not be included in the calculation of the required percentage unless the request or petition is signed by:
   (i) except as provided in Subsection (2)(a)(ii), owners representing a majority ownership interest in that parcel; or
   (ii) if the parcel is owned by joint tenants or tenants by the entirety, 50% of the number of owners of that parcel;
(b) the signature of a person signing a request or petition in a representative capacity on behalf of an owner is invalid unless:
   (i) the person's representative capacity and the name of the owner the person represents are indicated on the request or petition with the person's signature; and
   (ii) the person provides documentation accompanying the request or petition that reasonably substantiates the person's representative capacity; and
(c) subject to Subsection (2)(b), a duly appointed personal representative may sign a request or petition on behalf of a deceased owner.

Amended by Chapter 92, 2009 General Session

17B-1-104.5 Groundwater right owner provisions -- Vote.
(1) For purposes of this title, an owner of a groundwater right, is on the date of the filing of a groundwater right owner petition or groundwater right owner request, the owner according to:
   (a) a deed recorded with the county recorder in accordance with Section 73-1-10; or
   (b) a water right of record filed in the state engineer's office in accordance with Section 73-1-10.
(2) For purposes of each provision of this title that requires the owners of groundwater rights covering a percentage of the total groundwater rights within the proposed local district to sign a request, petition, or protest:
   (a) a groundwater right may not be included in the calculation of the required percentage unless the request or petition is signed by:
      (i) except as provided in Subsection (2)(a)(ii), owners representing a majority ownership interest in that groundwater right; or
      (ii) if the groundwater right is owned by joint tenants or tenants by the entirety, 50% of the number of owners of that groundwater right;
   (b) the signature of a person signing a request or petition in a representative capacity on behalf of an owner is invalid unless:
      (i) the person's representative capacity and the name of the owner the person represents are indicated on the request or petition with the person's signature; and
      (ii) the person provides documentation accompanying the request or petition that reasonably substantiates the person's representative capacity; and
   (c) subject to Subsection (2)(b), a duly appointed personal representative may sign a request or petition on behalf of the estate of a deceased owner.
(3) For an election by groundwater right owners described in this title, each owner of a groundwater right is entitled to cast one vote.

Enacted by Chapter 68, 2011 General Session

17B-1-105 Name of local district -- Name change.
(1) The name of each local district created on or after May 1, 2000 shall comply with Subsection 17-50-103(2)(a).
(b) The board of each local district affected by Subsection 17-50-103(2)(b) shall ensure that after January 1, 2005 the local district name complies with the requirements of that Subsection.
(2) The name of a local district created after April 30, 2007 may not include the name of a county or municipality.
(3) The name of a local district may include words descriptive of the type of service that the district provides.
(4)  
(a) A local district board may change the name of that local district as provided in this Subsection  
(4).
(b) To initiate a name change, the local district board shall:
   (i) hold a public hearing on the proposed name change;
   (ii) adopt a resolution approving the name change; and
   (iii) file with the lieutenant governor a notice of an impending name change, as defined in  
Section 67-1a-6.7, that meets the requirements of Subsection 67-1a-6.7(3).
(c) Upon the lieutenant governor's issuance of a certificate of name change under Section  
67-1a-6.7, the local district board shall:
   (i) if the local district is located within the boundary of a single county, submit to the recorder of  
that county:
      (A) the original:
         (I) notice of an impending name change; and
         (II) certificate of name change; and
      (B) a certified copy of the resolution approving the name change; or
   (ii) if the local district is located within the boundaries of more than a single county:
      (A) submit to the recorder of one of those counties:
         (I) the original of the documents listed in Subsections (4)(c)(i)(A)(I) and (II); and
         (II) a certified copy of the resolution approving the name change; and
      (B) submit to the recorder of each other county:
         (I) a certified copy of the documents listed in Subsections (4)(c)(i)(A)(I) and (II); and
         (II) a certified copy of the resolution approving the name change.
(d)  
   (i) A name change under this Subsection (4) becomes effective upon the lieutenant governor's  
issuance of a certificate of name change under Section 67-1a-6.7.
   (ii) Notwithstanding Subsection (4)(d)(i), the local district may not operate under the new name  
until the documents listed in Subsection (4)(c) are recorded in the office of the recorder of  
each county in which the local district is located.

Amended by Chapter 350, 2009 General Session

17B-1-106 Notice before preparing or amending a long-range plan or acquiring certain  
property.
(1) As used in this section:
   (a)  
      (i) "Affected entity" means each county, municipality, local district under this title, special  
service district, school district, interlocal cooperation entity established under Title 11,  
Chapter 13, Interlocal Cooperation Act, and specified public utility:
         (A) whose services or facilities are likely to require expansion or significant modification  
because of an intended use of land; or
         (B) that has filed with the local district a copy of the general or long-range plan of the county,  
municipality, local district, school district, interlocal cooperation entity, or specified public  
utility.
      (ii) "Affected entity" does not include the local district that is required under this section to  
provide notice.
   (b) "Specified public utility" means an electrical corporation, gas corporation, or telephone  
corporation, as those terms are defined in Section 54-2-1.
(2)  
(a) If a local district under this title located in a county of the first or second class prepares a long-range plan regarding its facilities proposed for the future or amends an already existing long-range plan, the local district shall, before preparing a long-range plan or amendments to an existing long-range plan, provide written notice, as provided in this section, of its intent to prepare a long-range plan or to amend an existing long-range plan.  
(b) Each notice under Subsection (2)(a) shall:  
(i) indicate that the local district intends to prepare a long-range plan or to amend a long-range plan, as the case may be;  
(ii) describe or provide a map of the geographic area that will be affected by the long-range plan or amendments to a long-range plan;  
(iii) be:  
(A) sent to each county in whose unincorporated area and each municipality in whose boundaries is located the land on which the proposed long-range plan or amendments to a long-range plan are expected to indicate that the proposed facilities will be located;  
(B) sent to each affected entity;  
(C) sent to the Automated Geographic Reference Center created in Section 63F-1-506;  
(D) sent to each association of governments, established pursuant to an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act, of which a county or municipality described in Subsection (2)(b)(iii)(A) is a member; and  
(E)  
(I) placed on the Utah Public Notice Website created under Section 63F-1-701, if the local district:  
(Aa) is required under Subsection 52-4-203(3) to use that website to provide public notice of a meeting; or  
(Bb) voluntarily chooses to place notice on that website despite not being required to do so under Subsection (2)(b)(iii)(E)(I)(Aa); or  
(II) the state planning coordinator appointed under Section 63J-4-202, if the local district does not provide notice on the Utah Public Notice Website under Subsection (2)(b)(iii)(E) (I);  
(iv) with respect to the notice to counties and municipalities described in Subsection (2)(b)(iii) (A) and affected entities, invite them to provide information for the local district to consider in the process of preparing, adopting, and implementing the long-range plan or amendments to a long-range plan concerning:  
(A) impacts that the use of land proposed in the proposed long-range plan or amendments to a long-range plan may have on the county, municipality, or affected entity; and  
(B) uses of land that the county, municipality, or affected entity is planning or considering that may conflict with the proposed long-range plan or amendments to a long-range plan; and  
(v) include the address of an Internet website, if the local district has one, and the name and telephone number of a person where more information can be obtained concerning the local district's proposed long-range plan or amendments to a long-range plan.  
(3)  
(a) Except as provided in Subsection (3)(d), each local district intending to acquire real property in a county of the first or second class for the purpose of expanding the district's infrastructure or other facilities used for providing the services that the district is authorized to provide shall provide written notice, as provided in this Subsection (3), of its intent to acquire the property if the intended use of the property is contrary to:  
(i) the anticipated use of the property under the county or municipality's general plan; or
(ii) the property’s current zoning designation.
(b) Each notice under Subsection (3)(a) shall:
   (i) indicate that the local district intends to acquire real property;
   (ii) identify the real property; and
   (iii) be sent to:
      (A) each county in whose unincorporated area and each municipality in whose boundaries the
property is located; and
      (B) each affected entity.
(c) A notice under this Subsection (3) is a protected record as provided in Subsection
63G-2-305(8).
(d)
   (i) The notice requirement of Subsection (3)(a) does not apply if the local district previously
   provided notice under Subsection (2) identifying the general location within the municipality
   or unincorporated part of the county where the property to be acquired is located.
   (ii) If a local district is not required to comply with the notice requirement of Subsection (3)
(a) because of application of Subsection (3)(d)(i), the local district shall provide the notice
specified in Subsection (3)(a) as soon as practicable after its acquisition of the real property.

Amended by Chapter 445, 2013 General Session

17B-1-107 Recording a release of lien.
If a local district records a lien upon real property or a groundwater right for an unpaid
assessment by the owner and the owner then pays the assessment in full, including, subject to
Section 17B-1-902.1, any interest and administrative costs, the local district recording the lien shall
record the release of the lien.

Amended by Chapter 349, 2015 General Session

17B-1-108 Provisions applicable to the procurement of design professional services.
(1) As used in this section, "design professional services" means the same as that term is defined
in Section 63G-6a-103.
(2) The procurement of design professional services is governed by Title 63G, Chapter 6a, Part 15,
Design Professional Services.

Amended by Chapter 218, 2015 General Session

17B-1-110 Compliance with nepotism requirements.
Each local district shall comply with Title 52, Chapter 3, Prohibiting Employment of Relatives.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-111 Impact fee resolution -- Notice and hearing requirements.
(1)
   (a) If a local district wishes to impose impact fees, the board of trustees of the local district shall:
      (i) prepare a proposed impact fee resolution that meets the requirements of Title 11, Chapter
36a, Impact Fees Act;
(ii) make a copy of the impact fee resolution available to the public at least 14 days before the date of the public hearing and hold a public hearing on the proposed impact fee resolution; and

(iii) provide reasonable notice of the public hearing at least 14 days before the date of the hearing.

(b) After the public hearing, the board of trustees may:

(i) adopt the impact fee resolution as proposed;

(ii) amend the impact fee resolution and adopt or reject it as amended; or

(iii) reject the resolution.

(2) A local district meets the requirements of reasonable notice required by this section if it:

(a) posts notice of the hearing or meeting in at least three public places within the jurisdiction and publishes notice of the hearing or meeting in a newspaper of general circulation in the jurisdiction, if one is available; or

(b) gives actual notice of the hearing or meeting.

(3) The local district's board of trustees may enact a resolution establishing stricter notice requirements than those required by this section.

(4)

(a) Proof that one of the two forms of notice required by this section was given is prima facie evidence that notice was properly given.

(b) If notice given under authority of this section is not challenged within 30 days from the date of the meeting for which the notice was given, the notice is considered adequate and proper.

Amended by Chapter 47, 2011 General Session

17B-1-112 Publishing district information in telephone directory.

(1) Each local district with a total annual budget over $5,000 shall:

(a) subject to Subsection (2), provide the name, telephone number, and address of the district to the telephone directory publisher serving the geographic area within which the district is located; and

(b) request the telephone directory publisher to publish the district's name, telephone number, and address in the government or other appropriate government-related section of the publisher's telephone directory that serves the area within which the district is located.

(2) If the district does not have a telephone or address or both, the district shall provide the telephone number or address or both, as the case may be, of the district's officer in charge of the district's day to day operations, for and in the place of the telephone number or address or both of the district.

(3) Subsection (1) does not apply to a local district whose name, telephone number, and address are published in the government or other appropriate government-related section of the telephone directory of the telephone directory publisher serving the geographic area within which the local district is located.

Enacted by Chapter 329, 2007 General Session

17B-1-113 Liability insurance.

(1) Each local district with an annual operating budget of $50,000 or more shall obtain liability insurance as considered appropriate by the local district board.
(2) Each local district with an annual operating budget of less than $50,000 is not required to obtain liability insurance, but liability insurance is encouraged, as considered appropriate by the local district board.

Amended by Chapter 37, 2019 General Session

17B-1-114 Local district property taxes on a parity with general taxes.

Unless otherwise specifically provided by statute, property taxes levied by a local district shall constitute a lien on the property on a parity with and collectible at the same time and in the same manner as general county taxes that are a lien on the property.

Enacted by Chapter 329, 2007 General Session

17B-1-115 Validation of previously created local districts -- Continuation of certain local districts under this chapter -- Providing a previously authorized service.

(1) Each local district created before April 30, 2007 under the law in effect at the time of the creation is declared to be validly and legally constituted.

(2) An entity created and operating under the law in effect before April 30, 2007 as a local district but not as a cemetery maintenance district, drainage district, fire protection district, improvement district, irrigation district, metropolitan water district, mosquito abatement district, public transit district, service area, or water conservancy district shall continue on and after April 30, 2007 as a local district subject to the provisions of this chapter but not subject to the provisions of Chapter 2a, Provisions Applicable to Different Types of Local Districts.

(3) Nothing in this title may be construed to prohibit or limit a local district from providing on or after April 30, 2007 a service that it was authorized before that date to provide.

Enacted by Chapter 329, 2007 General Session

17B-1-116 Property exempt from taxation and execution.

All property and assets of a local district are exempt from taxation and exempt from execution.

Enacted by Chapter 329, 2007 General Session

17B-1-117 Severability.

A court's invalidation of any provision of this title may not be considered to affect the validity of any other provision of this title.

Enacted by Chapter 329, 2007 General Session

17B-1-118 Local district hookup fee -- Preliminary design or site plan from a specified public agency.

(1) As used in this section:

(a) "Hookup fee" means a fee for the installation and inspection of any pipe, line, meter, or appurtenance to connect to a local district water, sewer, storm water, power, or other utility system.

(b) "Impact fee" has the same meaning as defined in Section 11-36a-102.

(c) "Specified public agency" means:

(i) the state;
(ii) a school district; or
(iii) a charter school.
(d) "State" includes any department, division, or agency of the state.

(2) A local district may not impose or collect a hookup fee that exceeds the reasonable cost of installing and inspecting the pipe, line, meter, or appurtenance to connect to the local district water, sewer, storm water, power, or other utility system.

(3) 
(a) A specified public agency intending to develop its land shall submit a development plan and schedule to each local district from which the specified public agency anticipates the development will receive service:
(i) as early as practicable in the development process, but no later than the commencement of construction; and
(ii) with sufficient detail to enable the local district to assess:
(A) the demand for public facilities listed in Subsections 11-36a-102(16)(a), (b), (c), (d), (e), and (g) caused by the development;
(B) the amount of any hookup fees, or impact fees or substantive equivalent;
(C) any credit against an impact fee; and
(D) the potential for waiving an impact fee.
(b) The local district shall respond to a specified public agency's submission under Subsection (3)(a) with reasonable promptness in order to allow the specified public agency to consider information the local district provides under Subsection (3)(a)(ii) in the process of preparing the budget for the development.

(4) Upon a specified public agency's submission of a development plan and schedule as required in Subsection (3) that complies with the requirements of that subsection, the specified public agency vests in the local district's hookup fees and impact fees in effect on the date of submission.

Amended by Chapter 200, 2013 General Session

**17B-1-119 Duty to comply with local land use provisions.**

A local district shall comply with Title 10, Chapter 9a, Municipal Land Use, Development, and Management Act, and Title 17, Chapter 27a, County Land Use, Development, and Management Act, as applicable, if a land use authority consults with or allows the local district to participate in any way in a land use authority's land use development review or approval process.

Repealed and Re-enacted by Chapter 309, 2013 General Session

**17B-1-120 Exactions -- Exaction for water interest -- Requirement to offer to original owner property acquired by exaction.**

(1) A local district may impose an exaction on a service received by an applicant, including, subject to Subsection (2), an exaction for a water interest if:
(a) the local district establishes that a legitimate local district interest makes the exaction essential; and
(b) the exaction is roughly proportionate, both in nature and extent, to the impact of the proposed service on the local district.

(2)
(i) A local district shall base an exaction for a water interest on the culinary water authority's established calculations of projected water interest requirements.

(ii) If requested by a service applicant, the culinary authority shall provide the basis for the culinary water authority's calculations described in Subsection (2)(a)(i).

(b) A local district may not impose an exaction for a water interest if the culinary water authority's existing available water interests exceed the water interests needed to meet the reasonable future water requirement of the public, as determined in accordance with Section 73-1-4.

(3)

(a) If a local district plans to dispose of surplus real property that was acquired under this section and has been owned by the local district for less than 15 years, the local district shall offer to reconvey the surplus real property, without receiving additional consideration, first to a person who granted the real property to the local district.

(b) The person described in Subsection (3)(a) shall, within 90 days after the day on which a local district makes an offer under Subsection (3)(a), accept or reject the offer.

(c) If a person rejects an offer under Subsection (3)(b), the local district may sell the real property.

Enacted by Chapter 205, 2011 General Session

17B-1-121 Limit on fees -- Requirement to itemize and account for fees -- Appeals.

(1) A local district may not impose or collect:

(a) an application fee that exceeds the reasonable cost of processing the application; or

(b) an inspection or review fee that exceeds the reasonable cost of performing an inspection or review.

(2)

(a) Upon request by a service applicant who is charged a fee or an owner of residential property upon which a fee is imposed, a local district shall provide a statement of each itemized fee and calculation method for each fee.

(b) If an applicant who is charged a fee or an owner of residential property upon which a fee is imposed submits a request for a statement of each itemized fee no later than 30 days after the day on which the applicant or owner pays the fee, the local district shall, no later than 10 days after the day on which the request is received, provide or commit to provide within a specific time:

(i) for each fee, any studies, reports, or methods relied upon by the local district to create the calculation method described in Subsection (2)(a);

(ii) an accounting of each fee paid;

(iii) how each fee will be distributed by the local district; and

(iv) information on filing a fee appeal through the process described in Subsection (2)(c).

(c)

(i) A local district shall establish an impartial fee appeal process to determine whether a fee reflects only the reasonable estimated cost of delivering the service for which the fee was paid.

(ii) A party to a fee appeal described in Subsection (2)(c)(i) may petition for judicial review of the local district's final decision.

(3) A local district may not impose on or collect from a public agency a fee associated with the public agency's development of the public agency's land other than:

(a) subject to Subsection (1), a hookup fee; or
(b) an impact fee, as defined in Section 11-36a-102 and subject to Section 11-36a-402, for a public facility listed in Subsection 11-36a-102(16)(a), (b), (c), (d), (e), or (g).

Amended by Chapter 189, 2014 General Session

Part 2
Creation of a Local District

17B-1-201 Definitions.
As used in this part:
(1) "Applicable area" means:
   (a) for a county, the unincorporated area of the county that is included within the proposed local district; or
   (b) for a municipality, the area of the municipality that is included within the proposed local district.
(2) "Governing body" means:
   (a) for a county or municipality, the legislative body of the county or municipality; and
   (b) for a local district, the board of trustees of the local district.
(3) "Groundwater right owner petition" means a petition under Subsection 17B-1-203(1)(c).
(4) "Groundwater right owner request" means a request under Section 17B-1-204 that is signed by owners of water rights as provided in Subsection 17B-1-204(2)(b)(ii).
(5) "Initiating local district" means a local district that adopts a resolution proposing the creation of a local district under Subsection 17B-1-203(1)(e).
(6) "Petition" means a petition under Subsection 17B-1-203(1)(a), (b), or (c).
(7) "Property owner petition" means a petition under Subsection 17B-1-203(1)(a).
(8) "Property owner request" means a request under Section 17B-1-204 that is signed by owners of real property as provided in Subsection 17B-1-204(2)(b)(i).
(9) "Registered voter request" means a request under Section 17B-1-204 that is signed by registered voters as provided in Subsection 17B-1-204(2)(b)(ii).
(10) "Registered voter petition" means a petition under Subsection 17B-1-203(1)(b).
(11) "Request" means a request as described in Section 17B-1-204.
(12) "Responsible body" means the governing body of:
   (a) the municipality in which the proposed local district is located, if the petition or resolution proposes the creation of a local district located entirely within a single municipality;
   (b) the county in which the proposed local district is located, if the petition or resolution proposes the creation of a local district located entirely within a single county and all or part of the proposed local district is located within:
      (i) the unincorporated part of the county; or
      (ii) more than one municipality within the county;
   (c) if the petition or resolution proposes the creation of a local district located within more than one county, the county whose boundaries include more of the area of the proposed local district than is included within the boundaries of any other county; or
   (d) the initiating local district, if a resolution proposing the creation of a local district is adopted under Subsection 17B-1-203(1)(e).
(13) "Responsible clerk" means the clerk of the county or the clerk or recorder of the municipality whose legislative body is the responsible body.
17B-1-202 Local district may be created -- Services that may be provided -- Limitations.

(1) (a) A local district may be created as provided in this part to provide within its boundaries service consisting of:

(i) the operation of an airport;
(ii) the operation of a cemetery;
(iii) fire protection, paramedic, and emergency services, including consolidated 911 and emergency dispatch services;
(iv) garbage collection and disposal;
(v) health care, including health department or hospital service;
(vi) the operation of a library;
(vii) abatement or control of mosquitos and other insects;
(viii) the operation of parks or recreation facilities or services;
(ix) the operation of a sewage system;
(x) the construction and maintenance of a right-of-way, including:
   (A) a curb;
   (B) a gutter;
   (C) a sidewalk;
   (D) a street;
   (E) a road;
   (F) a water line;
   (G) a sewage line;
   (H) a storm drain;
   (I) an electricity line;
   (J) a communications line;
   (K) a natural gas line; or
   (L) street lighting;
(xii) transportation, including public transit and providing streets and roads;
(xii) the operation of a system, or one or more components of a system, for the collection, storage, retention, control, conservation, treatment, supplying, distribution, or reclamation of water, including storm, flood, sewage, irrigation, and culinary water, whether the system is operated on a wholesale or retail level or both;
(xiii) in accordance with Subsection (1)(c), the acquisition or assessment of a groundwater right for the development and execution of a groundwater management plan in cooperation with and approved by the state engineer in accordance with Section 73-5-15;
(xiv) law enforcement service;
(xv) subject to Subsection (1)(b), the underground installation of an electric utility line or the conversion to underground of an existing electric utility line;
(xvi) the control or abatement of earth movement or a landslide;
(xvii) the operation of animal control services and facilities; or
(xviii) an energy efficiency upgrade, a renewable energy system, or electric vehicle charging infrastructure as defined in Section 11-42-102, in accordance with Title 11, Chapter 42, Assessment Area Act.

(b) Each local district that provides the service of the underground installation of an electric utility line or the conversion to underground of an existing electric utility line shall, in installing or
converting the line, provide advance notice to and coordinate with the utility that owns the
line.
(c) A groundwater management plan described in Subsection (1)(a)(xiii) may include the banking
of groundwater rights by a local district in a critical management area as defined in Section
73-5-15 following the adoption of a groundwater management plan by the state engineer
under Section 73-5-15.
(i) A local district may manage the groundwater rights it acquires under Subsection
17B-1-103(2)(a) or (b) consistent with the provisions of a groundwater management plan
described in this Subsection (1)(c).
(ii) A groundwater right held by a local district to satisfy the provisions of a groundwater
management plan is not subject to the forfeiture provisions of Section 73-1-4.
(iii)
(A) A local district may divest itself of a groundwater right subject to a determination that the
groundwater right is not required to facilitate the groundwater management plan described
in this Subsection (1)(c).
(B) The groundwater right described in Subsection (1)(c)(iii)(A) is subject to Section 73-1-4
beginning on the date of divestiture.
(iv) Upon a determination by the state engineer that an area is no longer a critical management
area as defined in Section 73-5-15, a groundwater right held by the local district is subject to
Section 73-1-4.
(v) A local district created in accordance with Subsection (1)(a)(xiii) to develop and execute
a groundwater management plan may hold or acquire a right to surface waters that are
naturally tributary to the groundwater basin subject to the groundwater management plan if
the surface waters are appropriated in accordance with Title 73, Water and Irrigation, and
used in accordance with Title 73, Chapter 3b, Groundwater Recharge and Recovery Act.

(2) For purposes of this section:
(a) "Operation" means all activities involved in providing the indicated service including
acquisition and ownership of property reasonably necessary to provide the indicated service
and acquisition, construction, and maintenance of facilities and equipment reasonably
necessary to provide the indicated service.
(b) "System" means the aggregate of interrelated components that combine together to provide
the indicated service including, for a sewage system, collection and treatment.

(3)
(a) A local district may not be created to provide and may not after its creation provide more than
four of the services listed in Subsection (1).
(b) Subsection (3)(a) may not be construed to prohibit a local district from providing more than
four services if, before April 30, 2007, the local district was authorized to provide those
services.

(4)
(a) Except as provided in Subsection (4)(b), a local district may not be created to provide and
may not after its creation provide to an area the same service that may already be provided to
that area by another political subdivision, unless the other political subdivision gives its written
consent.
(b) For purposes of Subsection (4)(a), a local district does not provide the same service as
another political subdivision if it operates a component of a system that is different from a
component operated by another political subdivision but within the same:
(i) sewage system; or
(ii) water system.
(5) Except for a local district in the creation of which an election is not required under Subsection 17B-1-214(3)(d), the area of a local district may include all or part of the unincorporated area of one or more counties and all or part of one or more municipalities.

(b) The area of a local district need not be contiguous.

(6) For a local district created before May 5, 2008, the authority to provide fire protection service also includes the authority to provide:
(a) paramedic service; and
(b) emergency service, including hazardous materials response service.

(7) A local district created before May 11, 2010, authorized to provide the construction and maintenance of curb, gutter, or sidewalk may provide a service described in Subsection (1)(a)(x) on or after May 11, 2010.

(8) A local district created before May 10, 2011, authorized to provide culinary, irrigation, sewage, or storm water services may provide a service described in Subsection (1)(a)(xii) on or after May 10, 2011.

(9) A local district may not be created under this chapter for two years after the date on which a local district is dissolved as provided in Section 17B-1-217 if the local district proposed for creation:
(a) provides the same or a substantially similar service as the dissolved local district; and
(b) is located in substantially the same area as the dissolved local district.

Amended by Chapter 371, 2016 General Session

17B-1-203 Process to initiate the creation of a local district -- Petition or resolution.

(1) The process to create a local district may be initiated by:
(a) unless the proposed local district is a local district to acquire or assess a groundwater right under Section 17B-1-202, and subject to Section 17B-1-204, a petition signed by the owners of private real property that:
(i) is located within the proposed local district;
(ii) covers at least 33% of the total private land area within the proposed local district as a whole and within each applicable area;
(iii) is equal in value to at least 25% of the value of all private real property within the proposed local district as a whole and within each applicable area; and
(iv) complies with the requirements of Subsection 17B-1-205(1) and Section 17B-1-208;
(b) subject to Section 17B-1-204, a petition that:
(i) is signed by registered voters residing within the proposed local district as a whole and within each applicable area, equal in number to at least 33% of the number of votes cast in the proposed local district as a whole and in each applicable area, respectively, for the office of governor at the last regular general election prior to the filing of the petition; and
(ii) complies with the requirements of Subsection 17B-1-205(1) and Section 17B-1-208;
(c) if the proposed local district is a local district to acquire or assess a groundwater right under Section 17B-1-202, and subject to Section 17B-1-204, a petition signed by the owners of groundwater rights that:
(i) are diverted within the proposed local district;
(ii) cover at least 33% of the total amount of groundwater diverted in accordance with groundwater rights within the proposed local district as a whole and within each applicable area; and
(iii) comply with the requirements of Subsection 17B-1-205(1) and Section 17B-1-208;
(d) a resolution proposing the creation of a local district, adopted by the legislative body of each county whose unincorporated area, whether in whole or in part, includes and each municipality whose boundaries include any of the proposed local district; or

(e) a resolution proposing the creation of a local district, adopted by the board of trustees of an existing local district whose boundaries completely encompass the proposed local district, if:
   (i) the proposed local district is being created to provide one or more components of the same service that the initiating local district is authorized to provide; and
   (ii) the initiating local district is not providing to the area of the proposed local district any of the components that the proposed local district is being created to provide.

(2)

(a) Each resolution under Subsection (1)(d) or (e) shall:
   (i) describe the area proposed to be included in the proposed local district;
   (ii) be accompanied by a map that shows the boundaries of the proposed local district;
   (iii) describe the service proposed to be provided by the proposed local district;
   (iv) if the resolution proposes the creation of a specialized local district, specify the type of specialized local district proposed to be created;
   (v) explain the anticipated method of paying the costs of providing the proposed service;
   (vi) state the estimated average financial impact on a household within the proposed local district;
   (vii) state the number of members that the board of trustees of the proposed local district will have, consistent with the requirements of Subsection 17B-1-302(4);
   (viii) for a proposed basic local district:
      (A) state whether the members of the board of trustees will be elected or appointed or whether some members will be elected and some appointed, as provided in Section 17B-1-1402;
      (B) if one or more members will be elected, state the basis upon which each elected member will be elected; and
      (C) if applicable, explain how the election or appointment of board members will transition from one method to another based on stated milestones or events, as provided in Section 17B-1-1402;
   (ix) for a proposed improvement district whose remaining area members or county members, as those terms are defined in Section 17B-2a-404, are to be elected, state that those members will be elected; and
   (x) for a proposed service area that is entirely within the unincorporated area of a single county, state whether the initial board of trustees will be:
      (A) the county legislative body;
      (B) appointed as provided in Section 17B-1-304; or
      (C) elected as provided in Section 17B-1-306.

(b) Each county or municipal legislative body adopting a resolution under Subsection (1)(d) shall, on or before the first public hearing under Section 17B-1-210, mail or deliver a copy of the resolution to the responsible body if the county or municipal legislative body's resolution is one of multiple resolutions adopted by multiple county or municipal legislative bodies proposing the creation of the same local district.

Amended by Chapter 112, 2017 General Session

17B-1-204 Request for service required before filing of petition -- Request requirements.

(1) A petition may not be filed until after:
(a) a request has been filed with:
   (i) the clerk of each county in whose unincorporated area any part of the proposed local district is located; and
   (ii) the clerk or recorder of each municipality in which any part of the proposed local district is located; and
(b) each county and municipality with which a request under Subsection (1)(a) is filed:
   (i) has adopted a resolution under Subsection 17B-1-212(1) indicating whether it will provide the requested service; or
   (ii) is considered to have declined to provide the requested service under Subsection 17B-1-212(2) or (3).

(2) Each request under Subsection (1)(a) shall:
(a) ask the county or municipality to provide the service proposed to be provided by the proposed local district within the applicable area; and
(b) be signed by:
   (i) unless the request is a request to create a local district to acquire or assess a groundwater right under Section 17B-1-202, the owners of private real property that:
(A) is located within the proposed local district;
(B) covers at least 10% of the total private land area within the applicable area; and
(C) is equal in value to at least 7% of the value of all private real property within the applicable area;
   (ii) if the request is a request to create a local district to acquire or assess a groundwater right under Section 17B-1-202, the owners of groundwater rights that:
(A) are diverted within the proposed local district; and
(B) cover at least 10% of the amount of groundwater diverted in accordance with groundwater rights within the applicable area; or
   (iii) registered voters residing within the applicable area equal in number to at least 10% of the number of votes cast in the applicable area for the office of governor at the last general election prior to the filing of the request.

(3) For purposes of Subsections (1) and (2), an area proposed to be annexed to a municipality in a petition under Section 10-2-403 filed before and still pending at the time of filing of a petition shall be considered to be part of that municipality.

Amended by Chapter 68, 2011 General Session

17B-1-205 Petition and request requirements -- Withdrawal of signature.
(1) Each petition and request shall:
(a) indicate the typed or printed name and current residence address of each property owner, groundwater right owner, or registered voter signing the petition;

(b) 
   (i) if it is a property owner request or petition, indicate the address of the property as to which the owner is signing the request or petition; or
   (ii) if it is a groundwater right owner request or petition, indicate the location of the diversion of the groundwater as to which the owner is signing the groundwater right owner request or petition;

(c) describe the entire area of the proposed local district;
(d) be accompanied by a map showing the boundaries of the entire proposed local district;
(e) specify the service proposed to be provided by the proposed local district;
(f) if the petition or request proposes the creation of a specialized local district, specify the type of specialized local district proposed to be created;

(g) for a proposed basic local district:
   (i) state whether the members of the board of trustees will be elected or appointed or whether some members will be elected and some appointed, as provided in Section 17B-1-1402;
   (ii) if one or more members will be elected, state the basis upon which each elected member will be elected; and
   (iii) if applicable, explain how the election or appointment of board members will transition from one method to another based on stated milestones or events, as provided in Section 17B-1-1402;

(h) for a proposed improvement district whose remaining area members or county members, as those terms are defined in Section 17B-2a-404, are to be elected, state that those members will be elected; and

(i) for a proposed service area that is entirely within the unincorporated area of a single county, state whether the initial board of trustees will be:
   (i) the county legislative body;
   (ii) appointed as provided in Section 17B-1-304; or
   (iii) elected as provided in Section 17B-1-306;

(j) designate up to five signers of the petition or request as sponsors, one of whom shall be designated as the contact sponsor, with the mailing address and telephone number of each;

(k) if the petition or request is a groundwater right owner petition or request proposing the creation of a local district to acquire a groundwater right under Section 17B-1-202, explain the anticipated method:
   (i) of paying for the groundwater right acquisition; and
   (ii) of addressing blowing dust created by the reduced use of water; and

(l) if the petition or request is a groundwater right owner petition or request proposing the creation of a local district to assess a groundwater right under Section 17B-1-202, explain the anticipated method:
   (i) of assessing the groundwater right and securing payment of the assessment; and
   (ii) of addressing blowing dust created by the reduced use of water.

(2) A signer of a request or petition may withdraw or, once withdrawn, reinstate the signer's signature at any time before the filing of the request or petition by filing a written withdrawal or reinstatement with:

(a) in the case of a request:
   (i) the clerk of the county or the clerk or recorder of the municipality in whose applicable area the signer's property is located, if the request is a property owner request;
   (ii) the clerk of the county or the clerk or recorder of the municipality in whose applicable area the signer's groundwater diversion point is located, if the request is a groundwater right owner request; or
   (iii) the clerk of the county or the clerk or recorder of the municipality in whose applicable area the signer resides, if the request is a registered voter request; or

(b) in the case of a petition, the responsible clerk.

Amended by Chapter 68, 2011 General Session

17B-1-206 Request certification -- Amended request.
(1) Within 30 days after the filing of a request, the clerk of each county and the clerk or recorder of each municipality with which a request was filed shall:
(a) with the assistance of other county or municipal officers from whom the clerk or recorder requests assistance, determine, for the clerk or recorder’s respective county or municipality, whether the request complies with the requirements of Subsections 17B-1-204(2) and 17B-1-205(1); and

(b)

(i) if the clerk or recorder determines that the request complies with the requirements:
(A) certify the request and deliver it to the legislative body of the county or municipality, as the case may be; and
(B) mail or deliver written notification of the certification to the contact sponsor; or
(ii) if the clerk or recorder determines that the request fails to comply with any of the applicable requirements, reject the request and notify the contact sponsor in writing of the rejection and the reasons for the rejection.

(2) If the clerk or recorder fails to certify or reject a request within 30 days after its filing, the request shall be considered to be certified.

(3) Each county clerk or municipal clerk or recorder shall certify or reject requests in the order in which they are filed.

(4)

(a) If the county clerk or municipal clerk or recorder rejects a request under Subsection (1)(b)(ii), the request may be amended to correct the deficiencies for which it was rejected and then refiled.

(b) A valid signature on a request that was rejected under Subsection (1)(b)(ii) may be used toward fulfilling the applicable signature requirement of the request as amended under Subsection (4)(a).

(5) Each county clerk and municipal clerk or recorder shall act in good faith in making the determinations under this section.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-207 Signature on request may be used on petition.
A signature on a request may be used toward fulfilling the signature requirement of a petition:

(1) if the request notifies the signer in conspicuous language that the signature, unless withdrawn, would also be used for purposes of a petition to create a local district; and

(2) unless the signer files a written withdrawal of the signature before the petition is filed.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-208 Additional petition requirements and limitations.

(1) Each petition shall:

(a) be filed with the responsible clerk;

(b) separately group signatures by county and municipality, so that all signatures of the owners of real property located within or of registered voters residing within each county whose unincorporated area includes and each municipality whose boundaries include part of the proposed local district are grouped separately; and

(c) state the number of members that the board of trustees of the proposed local district will have, consistent with the requirements of Subsection 17B-1-302(4).

(2)

(a) A petition may not propose the creation of a local district that includes an area located within the unincorporated part of a county or within a municipality if the legislative body of that
county or municipality has adopted a resolution under Subsection 17B-1-212(1) indicating that
the county or municipality will provide to that area the service proposed to be provided by the
proposed local district.

(b) Subsection (2)(a) does not apply if the county or municipal legislative body is considered to
have declined to provide the requested service under Subsection 17B-1-212(3).

(c) Subsection (2)(a) may not be construed to prevent the filing of a petition that proposes the
creation of a local district whose area excludes that part of the unincorporated area of a
county or that part of a municipality to which the county or municipality has indicated, in a
resolution adopted under Section 17B-1-212, it will provide the requested service.

(3) A petition may not propose the creation of a local district whose area includes:

(a) some or all of an area described in a previously filed petition that, subject to Subsection
17B-1-202(4)(b):

(i) proposes the creation of a local district to provide the same service as proposed by the later
filed petition; and

(ii) is still pending at the time the later petition is filed; or

(b) some or all of an area within a political subdivision that provides in that area the same service
proposed to be provided by the proposed local district.

(4) A petition may not be filed more than 12 months after a county or municipal legislative body
deployed to provide the requested service under Subsection 17B-1-212(1) or is considered to
have declined to provide the requested service under Subsection 17B-1-212(2) or (3).

Amended by Chapter 112, 2017 General Session

17B-1-209 Petition certification -- Amended petition.

(1) No later than five days after the day on which a petition is filed, the responsible clerk shall
mail a copy of the petition to the clerk of each other county and the clerk or recorder of each
municipality in which any part of the proposed local district is located.

(2)

(a) No later than 35 days after the day on which a petition is filed, the clerk of each county whose
unincorporated area includes and the clerk or recorder of each municipality whose boundaries
include part of the proposed local district shall:

(i) with the assistance of other county or municipal officers from whom the county clerk or
municipal clerk or recorder requests assistance, determine, for the clerk or recorder's
respective county or municipality, whether the petition complies with the requirements of
Subsection 17B-1-203(1)(a), (b), or (c), as the case may be, and Subsections 17B-1-208(2),
(3), and (4); and

(ii) notify the responsible clerk in writing of the clerk or recorder's determination under
Subsection (2)(a)(i).

(b) The responsible clerk may rely on the determinations of other county clerks or municipal
clerks or recorders under Subsection (2)(a) in making the responsible clerk's determinations
and certification or rejection under Subsection (3).

(3)

(a) Within 45 days after the filing of a petition, the responsible clerk shall:

(i) determine whether the petition complies with Subsection 17B-1-203(1)(a), (b), or (c), as the
case may be, Subsection 17B-1-205(1), and Section 17B-1-208; and

(ii)

(A) if the responsible clerk determines that the petition complies with the applicable
requirements:
(I)  
(Aa) certify the petition and deliver the certified petition to the responsible body; and  
(Bb) mail or deliver written notification of the certification to the contact sponsor; or  
(II) for each petition described in Subsection (3)(b)(i), deliver a copy of the petition to  
the legislative body of each county whose unincorporated area includes and each  
municipality whose boundaries include any of the proposed basic local district, with a  
notice indicating that the clerk has determined that the petition complies with applicable  
requirements; or  
(B) if the responsible clerk determines that the petition fails to comply with any of the  
applicable requirements, reject the petition and notify the contact sponsor in writing of the  
rejection and the reasons for the rejection.

(b)  
(i) A petition for which an election is not required under Subsection 17B-1-214(3) and that  
proposes the creation of a basic local district that has within its boundaries fewer than one  
residential dwelling unit per 10 acres of land may not be certified without the approval, by  
resolution, of the legislative body of each county whose unincorporated area includes and  
each municipality whose boundaries include any of the proposed local district.  
(ii) Before adopting a resolution giving its approval under Subsection (3)(b)(i), a county or  
municipal legislative body may hold one or more public hearings on the petition.  
(iii) If a petition described in Subsection (3)(b)(i) is approved as provided in that subsection, the  
responsible clerk shall, within 10 days after its approval:  
(A) certify the petition and deliver the certified petition to the responsible body; and  
(B) mail or deliver written notification of the certification to the contact sponsor.  

(4) Except for a petition described in Subsection (3)(b)(i), if the responsible clerk fails to certify or  
reject a petition within 45 days after its filing, the petition shall be considered to be certified.  

(5) The responsible clerk shall certify or reject petitions in the order in which they are filed.  

(6)  
(a) If the responsible clerk rejects a petition under Subsection (3)(a)(ii)(B), 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 (3)(a)(ii)(B) may be used  
toward fulfilling the applicable signature requirement of the petition as amended under  
Subsection (6)(a).  
(c) If a petition is amended and refiled under Subsection (6)(a) after having been rejected by the  
responsible clerk under Subsection (3)(a)(ii)(B), the amended petition shall be considered as  
newly filed, and its processing priority shall be determined by the date on which it is refiled.  

(7) The responsible clerk and each county clerk and municipal clerk or recorder shall act in good  
faith in making the determinations under this section.

Amended by Chapter 68, 2011 General Session

17B-1-210 Public hearing.

(1) The legislative body of each county and municipality with which a request is filed or that adopts  
a resolution under Subsection 17B-1-203(1)(d) and the board of trustees of each local district  
that adopts a resolution under Subsection 17B-1-203(1)(e) shall hold a public hearing or a  
set of public hearings, sufficient in number and location to ensure that no substantial group of  
residents of the proposed local district need travel an unreasonable distance to attend a public  
hearing.  

(2) Each public hearing under Subsection (1) shall be held:
(a) no later than 45 days after:
   (i) for a public hearing on a request, certification of a request under Subsection 17B-1-206(1)(b)
      (i); or
   (ii) for a public hearing on a resolution, adoption of a resolution under Subsection 17B-1-203(1)
        (d) or (e);
(b) within the proposed local district;
(c) except as provided in Subsections (6) and (7), within the applicable area; and
(d) for the purpose of:
   (i) for a public hearing on a request, allowing public input on:
      (A) whether the requested service is needed in the area of the proposed local district;
      (B) whether the service should be provided by the county or municipality or the proposed local
           district; and
      (C) all other matters relating to the request or the proposed local district; or
   (ii) for a public hearing on a resolution, allowing the public to ask questions of and obtain further
        information from the governing body holding the hearing regarding the issues contained in
        or raised by the resolution.
(3) A quorum of each governing body holding a public hearing under this section shall be present
    throughout each hearing held by that governing body.
(4) Each hearing under this section shall be held on a weekday evening other than a holiday
    beginning no earlier than 6 p.m.
(5) At the beginning and end of each hearing concerning a resolution, the governing body shall
    announce the deadline for filing protests and generally explain the protest procedure and
    requirements.
(6) Two or more county or municipal legislative bodies may jointly hold a hearing or set of hearings
    required under this section if all the requirements of this section, other than the requirements of
    Subsection (2)(c), are met as to each hearing.
(7) Notwithstanding Subsection (2)(c), a governing body may hold a public hearing or set of public
    hearings outside the applicable area if:
    (a) there is no reasonable place to hold a public hearing within the applicable area; and
    (b) the public hearing or set of public hearings is held as close to the applicable area as
        reasonably possible.

Amended by Chapter 68, 2011 General Session

17B-1-211 Notice of public hearings -- Publication of resolution.
(1) Before holding a public hearing or set of public hearings under Section 17B-1-210, the
    legislative body of each county or municipality with which a request is filed or that adopts a
    resolution under Subsection 17B-1-203(1)(d) and the board of trustees of each local district that
    adopts a resolution under Subsection 17B-1-203(1)(e) shall:
    (a)
      (i) except as provided in Subsections (1)(a)(i)(B) and (1)(a)(ii), publish notice in a newspaper
          or combination of newspapers of general circulation within the applicable area in
          accordance with Subsection (2); or
      (B) if there is no newspaper or combination of newspapers of general circulation within the
          applicable area, post notice in accordance with Subsection (2) at least one notice per
          1,000 population of that area and at places within the area that are most likely to provide
          actual notice to residents of the area; and
(ii) publish notice on the Utah Public Notice Website created in Section 63F-1-701, for two weeks before the hearing or the first of the set of hearings; or
(b) mail a notice to each registered voter residing within and each owner of real property located within the proposed local district.

(2) Each published notice under Subsection (1)(a)(i)(A) shall:
(a) be no less than 1/4 page in size, use type no smaller than 18 point, and be surrounded by a 1/4-inch border;
(b) if possible, appear in a newspaper that is published at least one day per week;
(c) if possible, appear in a newspaper of general interest and readership in the area and not of limited subject matter;
(d) be placed in a portion of the newspaper other than where legal notices and classified advertisements appear; and
(e) be published once each week for four consecutive weeks, with the final publication being no fewer than five and no more than 20 days before the hearing or the first of the set of hearings.

(3) Each notice required under Subsection (1) shall:
(a) if the hearing or set of hearings is concerning a resolution:
(i) contain the entire text or an accurate summary of the resolution; and
(ii) state the deadline for filing a protest against the creation of the proposed local district;
(b) clearly identify each governing body involved in the hearing or set of hearings;
(c) state the date, time, and place for the hearing or set of hearings and the purposes for the hearing or set of hearings; and
(d) describe or include a map of the entire proposed local district.

(4) County or municipal legislative bodies may jointly provide the notice required under this section if all the requirements of this section are met as to each notice.

Amended by Chapter 265, 2013 General Session

17B-1-212 Resolution indicating whether the requested service will be provided.
(1) Within 60 days after the last hearing required under Section 17B-1-210 concerning a request, the legislative body of each county whose unincorporated area includes and the legislative body of each municipality whose boundaries include any part of the proposed local district shall adopt a resolution indicating whether the county or municipality will provide to the area of the proposed local district within its boundaries the service proposed to be provided by the proposed local district.

(2) If the legislative body of a county or municipality fails to adopt a resolution within the time provided under Subsection (1), the county or municipal legislative body shall be considered to have declined to provide the service requested.

(3) If the county or municipality adopts a resolution under Subsection (1) indicating that it will provide the requested service but does not, within 120 days after the adoption of that resolution, take substantial measures to provide the requested service, the county or municipal legislative body shall be considered to have declined to provide the requested service.

(4) Each county or municipality that adopts a resolution under Subsection (1) indicating that it will provide the requested service shall diligently proceed to take all measures necessary to provide the service.

Renumbered and Amended by Chapter 329, 2007 General Session
17B-1-213 Protest after adoption of resolution -- Adoption of resolution approving creation for certain districts.

(1) For purposes of this section, "adequate protests" means protests that are:
   (a) filed with the county clerk, municipal clerk or recorder, or local district secretary or clerk, as the case may be, within 60 days after the last public hearing required under Section 17B-1-210; and
   (b) signed by:
      (i) the owners of private real property that:
         (A) is located within the proposed local district;
         (B) covers at least 25% of the total private land area within the applicable area; and
         (C) is equal in value to at least 15% of the value of all private real property within the applicable area; or
      (ii) registered voters residing within the applicable area equal in number to at least 25% of the number of votes cast in the applicable area for the office of president of the United States at the most recent election prior to the adoption of the resolution.

(2) An owner may withdraw a protest at any time before the expiration of the 60-day period described in Subsection (1)(a).

(3) If adequate protests are filed, the governing body that adopted a resolution under Subsection 17B-1-203(1)(d) or (e):
   (a) may not:
      (i) hold or participate in an election under Subsection 17B-1-214(1) with respect to the applicable area;
      (ii) take any further action under the protested resolution to create a local district or include the applicable area in a local district; or
      (iii) for a period of two years, adopt a resolution under Subsection 17B-1-203(1)(d) or (e) proposing the creation of a local district including substantially the same area as the applicable area and providing the same service as the proposed local district in the protested resolution; and
   (b) shall, within five days after receiving adequate protests, mail or deliver written notification of the adequate protests to the responsible body.

(4) Subsection (3)(a) may not be construed to prevent an election from being held for a proposed local district whose boundaries do not include an applicable area that is the subject of adequate protests.

(5)
   (a) If adequate protests are not filed with respect to a resolution proposing the creation of a local district for which an election is not required under Subsection 17B-1-214(3)(d), (e), (f), or (g), a resolution approving the creation of the local district may be adopted by:
      (i)
         (A) the legislative body of a county whose unincorporated area is included within the proposed local district; and
         (B) the legislative body of a municipality whose area is included within the proposed local district; or
      (ii) the board of trustees of the initiating local district.
   (b) Each resolution adopted under Subsection (5)(a) shall:
      (i) describe the area included in the local district;
      (ii) be accompanied by a map that shows the boundaries of the local district;
      (iii) describe the service to be provided by the local district;
      (iv) state the name of the local district; and
provide a process for the appointment of the members of the initial board of trustees.

Amended by Chapter 405, 2014 General Session

17B-1-214 Election -- Exceptions.

(1) Except as provided in Subsection (3) and in Subsection 17B-1-213(3)(a), an election on the question of whether the local district should be created shall be held by:

(a) if the proposed local district is located entirely within a single county, the responsible clerk; or

(b) except as provided under Subsection (1)(b), if the proposed local district is located within more than one county, the clerk of each county in which part of the proposed local district is located, in cooperation with the responsible clerk.

(b) Notwithstanding Subsection (1)(a)(ii), if the proposed local district is located within more than one county and the only area of a county that is included within the proposed local district is located within a single municipality, the election for that area shall be held by the municipal clerk or recorder, in cooperation with the responsible clerk.

(2) Each election under Subsection (1) shall be held at the next special or regular general election date that is:

(a) for an election pursuant to a property owner or registered voter petition, more than 45 days after certification of the petition under Subsection 17B-1-209(3)(a); or

(b) for an election pursuant to a resolution, more than 60 days after the latest hearing required under Section 17B-1-210.

(3) The election requirement of Subsection (1) does not apply to:

(a) a petition filed under Subsection 17B-1-203(1)(a) if it contains the signatures of the owners of private real property that:

(i) is located within the proposed local district;

(ii) covers at least 67% of the total private land area within the proposed local district as a whole and within each applicable area; and

(iii) is equal in value to at least 50% of the value of all private real property within the proposed local district as a whole and within each applicable area;

(b) a petition filed under Subsection 17B-1-203(1)(b) if it contains the signatures of registered voters residing within the proposed local district as a whole and within each applicable area, equal in number to at least 67% of the number of votes cast in the proposed local district as a whole and in each applicable area, respectively, for the office of governor at the last general election prior to the filing of the petition;

(c) a groundwater right owner petition filed under Subsection 17B-1-203(1)(c) if the petition contains the signatures of the owners of groundwater rights that:

(i) are diverted within the proposed local district; and

(ii) cover at least 67% of the total amount of groundwater diverted in accordance with groundwater rights within the proposed local district as a whole and within each applicable area;

(d) a resolution adopted under Subsection 17B-1-203(1)(d) on or after May 5, 2003, that proposes the creation of a local district to provide fire protection, paramedic, and emergency services or law enforcement service, if the proposed local district:

(i) includes the unincorporated area, whether in whole or in part, of one or more counties; or

(ii) consists of an area that:

(A) has a boundary that is the same as the boundary of the municipality whose legislative body adopts the resolution proposing the creation of the local district;
(B) previously received fire protection, paramedic, and emergency services or law enforcement service from another local district; and

(C) may be withdrawn from the other local district under Section 17B-1-505 without an election because the withdrawal is pursuant to an agreement under Subsection 17B-1-505(5)(a)(ii)(A) or (5)(b);

(e) a resolution adopted under Subsection 17B-1-203(1)(d) or (e) if the resolution proposes the creation of a local district that has no registered voters within its boundaries;

(f) a resolution adopted under Subsection 17B-1-203(1)(d) on or after May 11, 2010, that proposes the creation of a local district described in Subsection 17B-1-202(1)(a)(xiii); or

(g) a resolution adopted under Section 17B-2a-1105 to create a municipal services district.

(4)

(a) If the proposed local district is located in more than one county, the responsible clerk shall coordinate with the clerk of each other county and the clerk or recorder of each municipality involved in an election under Subsection (1) so that the election is held on the same date and in a consistent manner in each jurisdiction.

(b) The clerk of each county and the clerk or recorder of each municipality involved in an election under Subsection (1) shall cooperate with the responsible clerk in holding the election.

(c) Except as otherwise provided in this part, each election under Subsection (1) shall be governed by Title 20A, Election Code.

Amended by Chapter 404, 2017 General Session

17B-1-215 Notice and plat to lieutenant governor -- Recording requirements -- Certificate of incorporation -- Local district incorporated as specialized local district or basic local district -- Effective date.

(1)

(a) Within the time specified in Subsection (1)(b), the responsible body shall file with the lieutenant governor:

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

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

(b) The responsible body shall file the documents listed in Subsection (1)(a) with the lieutenant governor within 10 days after:

(i) the canvass of an election under Section 17B-1-214, if a majority of those voting at the election within the proposed local district as a whole vote in favor of the creation of a local district;

(ii) certification of a petition as to which the election requirement of Subsection 17B-1-214(1) does not apply because of Subsection 17B-1-214(3)(a), (b), or (c); or

(iii) adoption of a resolution, under Subsection 17B-1-213(5) approving the creation of a local district for which an election was not required under Subsection 17B-1-214(3)(d), (e), (f), or (g) by the legislative body of each county whose unincorporated area is included within and the legislative body of each municipality whose area is included within the proposed local district, or by the board of trustees of the initiating local district.

(2) Upon the lieutenant governor's issuance of a certificate of incorporation under Section 67-1a-6.5, the responsible body shall:

(a) if the local district is located within the boundary of a single county, submit to the recorder of that county:

(i) the original:
(A) notice of an impending boundary action;
(B) certificate of incorporation; and
(C) approved final local entity plat; and
(ii) if applicable, a certified copy of each resolution adopted under Subsection 17B-1-213(5); or
(b) if the local district is located within the boundaries of more than a single county:
(i) submit to the recorder of one of those counties:
(A) the original of the documents listed in Subsections (2)(a)(i)(A), (B), and (C); and
(B) if applicable, a certified copy of each resolution adopted under Subsection 17B-1-213(5); and
(ii) submit to the recorder of each other county:
(A) a certified copy of the documents listed in Subsection (2)(a)(i)(A), (B), and (C); and
(B) if applicable, a certified copy of each resolution adopted under Subsection 17B-1-213(5).

(3) The area of each local district consists of:
(a) if an election was held under Section 17B-1-214, the area of the new local district as approved at the election;
(b) if an election was not required because of Subsection 17B-1-214(3)(a), (b), or (c), the area of the proposed local district as described in the petition; or
(c) if an election was not required because of Subsection 17B-1-214(3)(d), (e), (f), or (g), the area of the new local district as described in the resolution adopted under Subsection 17B-1-213(5).

(4)
(a) Upon the lieutenant governor's issuance of the certificate of incorporation under Section 67-1a-6.5, the local district is created and incorporated as:
(i) the type of specialized local district that was specified in the petition under Subsection 17B-1-203(1)(a), (b), or (c) or resolution under Subsection 17B-1-203(1)(d) or (e), if the petition or resolution proposed the creation of a specialized local district; or
(ii) a basic local district, if the petition or resolution did not propose the creation of a specialized local district.
(b) The effective date of a local district's incorporation for purposes of assessing property within the local district is governed by Section 59-2-305.5.
(ii) Until the documents listed in Subsection (2) are recorded in the office of the recorder of each county in which the property is located, a newly incorporated local district may not:
(A) levy or collect a property tax on property within the local district;
(B) levy or collect an assessment on property within the local district; or
(C) charge or collect a fee for service provided to property within the local district.

Amended by Chapter 405, 2014 General Session

17B-1-216 Costs and expenses of creating a local district.
(1) Except as provided in Subsection (2), each county whose unincorporated area includes and each municipality whose boundaries include some or all of the proposed local district shall bear their respective costs and expenses associated with the procedure under this part for creating a local district.
(2) Within a year after its creation, each local district shall reimburse the costs and expenses associated with the preparation, certification, and recording of the approved final local entity plat of the local district and accompanying documents under Section 17B-1-215.
17B-1-217 Activity required -- Dissolution -- Conclusive presumption regarding creation and existence.

(1) A local district that is not engaged in one or more of the following activities, services, or duties is subject to dissolution in accordance with Subsections (5) and (6):
   (a) levying and collecting a tax;
   (b) providing a commodity or service;
   (c) collecting a fee or charging an assessment for a commodity, service, facility, or improvement provided by the local district;
   (d) undertaking planning necessary for the provision of a commodity, service, facility, or improvement as reflected in a written study or report;
   (e) acquiring or maintaining property or an easement necessary for a service, facility, or improvement to be provided by the local district in accordance with a general or master plan adopted by the district;
   (f) constructing, installing, maintaining, owning, or operating infrastructure for the provision of a commodity, service, facility, or improvement; or
   (g) legally incurring debt, contracting, or otherwise being obligated to provide a commodity, service, facility, or improvement within a reasonable period of time.

(2) For a local district created after May 14, 2013, the local district shall file with the state auditor a written certification:
   (a) declaring that the district is engaged in an activity, service, or duty described in Subsection (1);
   (b) identifying the activity in which the local district is engaged; and
   (c) no later than five years after the date on which a local district is created as reflected in the certificate of incorporation issued by the lieutenant governor under Section 67-1a-6.5.

(3) (a) The state auditor shall send a deficiency notice in accordance with Subsection (3)(c) if:
   (i) a local district fails to deliver a certification in accordance with Subsection (2); or
   (ii) the state auditor determines that, subject to Subsection (3)(b), a local district created after January 1, 2005, and before May 15, 2013, is not engaged in an activity, service, or duty required under Subsection (1) within five years after the date on which the local district is created as reflected in the certificate of incorporation issued by the lieutenant governor under Section 67-1a-6.5 or thereafter.

(b) The state auditor shall make a determination described in Subsection (3)(a)(ii) based on:
   (i) the local district's failure to file a required annual financial report with the state auditor in accordance with Section 17B-1-639; or
   (ii) subject to Subsection (7), other credible information related to Subsection (1).

(c) (i) The state auditor shall send the deficiency notice to the local district and the Utah Association of Special Districts.
   (ii) The deficiency notice shall state that the local district is required to file with the state auditor a written certification:
       (A) declaring that the district was and continues to be engaged in an activity, service, or duty described in Subsection (1) prior to the date of the deficiency notice; and
       (B) identifying the activity, service, or duty in which the local district is engaged.
(4) If within four months of receiving a deficiency notice, a local district fails to file a written certification with the state auditor in accordance with Subsection (2) or (3)(c)(ii), the state auditor shall, in writing:
(a) notify the lieutenant governor that the local district has failed to meet the requirements of this section and specify the reason for the district's failure; and
(b) request that the lieutenant governor dissolve the local district in accordance with Subsections (5) and (6).
(5) If the lieutenant governor receives a request to dissolve a local district from the state auditor in accordance with Subsection (4), the lieutenant governor shall:
(a) issue a certification of dissolution under Section 67-1a-6.5; and
(b) send a copy of the certification of dissolution to:
(i) the state auditor;
(ii) the State Tax Commission;
(iii) the recorder of the county in which the local district is located, or, if the local district is located in more than one county, the recorder of each county in which the local district is located;
(iv) the last known address of the local district; and
(v) the Utah Association of Special Districts.
(6) A local district identified in a certification of dissolution is dissolved:
(a) upon recordation of the certification by the county recorder; or
(b) if the local district is located within more than one county, upon recordation of the certification by the county recorder of the last county to record.
(7) Notwithstanding any other provision of law, a local district shall be conclusively presumed to have been lawfully created, existing, and active if for two years following the district's creation under Subsection 17B-1-215(4):
(a) the district has:
(i) levied and collected a tax; or
(ii) collected a fee, charge, or assessment for a commodity, service, facility, or improvement provided by the district; and
(b) no challenge has been filed in court to the existence or creation of the district.

Amended by Chapter 448, 2013 General Session

Part 3
Board of Trustees

17B-1-301 Board of trustees duties and powers.
(1) Each local district shall be governed by a board of trustees which shall manage and conduct the business and affairs of the district and shall determine all questions of district policy.
(2) All powers of a local district are exercised through the board of trustees.
(2) The board of trustees may:
(a) fix the location of the local district's principal place of business and the location of all offices and departments, if any;
(b) fix the times of meetings of the board of trustees;
(c) select and use an official district seal;
(d) subject to Subsections (3) and (4), employ employees and agents, or delegate to district officers power to employ employees and agents, for the operation of the local district and its properties and prescribe or delegate to district officers the power to prescribe the duties, compensation, and terms and conditions of employment of those employees and agents;

(e) require district officers and employees charged with the handling of district funds to provide surety bonds in an amount set by the board or provide a blanket surety bond to cover officers and employees;

(f) contract for or employ professionals to perform work or services for the local district that cannot satisfactorily be performed by the officers or employees of the district;

(g) through counsel, prosecute on behalf of or defend the local district in all court actions or other proceedings in which the district is a party or is otherwise involved;

(h) adopt bylaws for the orderly functioning of the board;

(i) adopt and enforce rules and regulations for the orderly operation of the local district or for carrying out the district’s purposes;

(j) prescribe a system of civil service for district employees;

(k) on behalf of the local district, enter into contracts that the board considers to be for the benefit of the district;

(l) acquire, construct or cause to be constructed, operate, occupy, control, and use buildings, works, or other facilities for carrying out the purposes of the local district;

(m) on behalf of the local district, acquire, use, hold, manage, occupy, and possess property necessary to carry out the purposes of the district, dispose of property when the board considers it appropriate, and institute and maintain in the name of the district any action or proceeding to enforce, maintain, protect, or preserve rights or privileges associated with district property;

(n) delegate to a district officer the exercise of a district duty; and

(o) exercise all powers and perform all functions in the operation of the local district and its properties as are ordinarily exercised by the governing body of a political subdivision of the state and as are necessary to accomplish the purposes of the district.

(3)

(a) As used in this Subsection (3), "interim vacancy period" means:

(i) if any member of the local district board is elected, the period of time that:

(A) begins on the day on which an election is held to elect a local district board member; and

(B) ends on the day on which the local district board member-elect begins the member’s term;

or

(ii) if any member of the local district board is appointed, the period of time that:

(A) begins on the day on which an appointing authority posts a notice of vacancy in accordance with Section 17B-1-304; and

(B) ends on the day on which the person who is appointed by the local district board to fill the vacancy begins the person’s term.

(b)

(i) The local district may not hire during an interim vacancy period a manager, a chief executive officer, a chief administrative officer, an executive director, or a similar position to perform executive and administrative duties or functions.

(ii) Notwithstanding Subsection (3)(b)(i):

(A) the local district may hire an interim manager, a chief executive officer, a chief administrative officer, an executive director, or a similar position during an interim vacancy period; and
(B) the interim manager's, chief executive officer's, chief administrative officer's, or similar position's employment shall terminate once a new manager, chief executive officer, chief administrative officer, or similar position is hired by the new local district board after the interim vacancy period has ended.

(c) Subsection (3)(b) does not apply if:
   (i) all the elected local district board members who held office on the day of the election for the local district board members, whose term of office was vacant for the election are re-elected to the local district board; and
   (ii) all the appointed local district board members who were appointed whose term of appointment was expiring are re-appointed to the local district board.

(4) A local district board that hires an interim manager, a chief executive officer, a chief administrative officer, an executive director, or a similar position in accordance with this section may not, on or after May 10, 2011, enter into an employment contract that contains an automatic renewal provision with the interim manager, chief executive officer, chief administrative officer, executive director, or similar position.

Amended by Chapter 424, 2018 General Session

17B-1-302 Board member qualifications -- Number of board members.

(1) Except as provided in Section 17B-2a-905, each member of a local district board of trustees shall be:
   (a) a registered voter at the location of the member's residence; and
   (b) except as otherwise provided in Subsection (2) or (3), a resident within:
      (i) the boundaries of the local district; and
      (ii) if applicable, the boundaries of the division of the local district from which the member is elected or appointed.

(2)
   (a) As used in this Subsection (2):
      (i) "Proportional number" means the number of members of a board of trustees that bears, as close as mathematically possible, the same proportion to all members of the board that the number of seasonally occupied homes bears to all residences within the district that receive service from the district.
      (ii) "Seasonally occupied home" means a single-family residence:
         (A) that is located within the local district;
         (B) that receives service from the local district; and
         (C) whose owner does not reside permanently at the residence but may occupy the residence on a temporary or seasonal basis.
   (b) If over 50% of the residences within a local district that receive service from the local district are seasonally occupied homes, the requirement under Subsection (1)(b) is replaced, for a proportional number of members of the board of trustees, with the requirement that the member be an owner of land, or an agent or officer of the owner of land, that:
      (i) receives service from the district; and
      (ii) is located within the local district and, if applicable, the division from which the member is elected.

(3)
   (a) For a board of trustees member in a basic local district, or in any other type of local district that is located solely within a county of the fifth or sixth class, that has within the district's boundaries fewer than one residential dwelling unit per 10 acres of land, the requirement
under Subsection (1)(b) may be replaced by the requirement that the member be an owner of land within the local district that receives service from the district, or an agent or officer of the owner.

(b) A member of the board of trustees of a service area described in Subsection 17B-2a-905(2) (a) or (3)(a), who is an elected official of the county appointing the individual, is not subject to the requirements described in Subsection (1)(b) if the elected official was elected at large by the voters of the county.

(c) Notwithstanding Subsection (1)(b) and except as provided in Subsection (3)(d), the county legislative body may appoint to the local district board one of the county legislative body’s own members, regardless of whether the member resides within the boundaries described in Subsection (1)(b), if:

(i) the county legislative body satisfies the procedures to fill a vacancy described in:
(A) for the appointment of a new board member, Subsections 17B-1-304(2) and (3); or
(B) for an appointment to fill a midterm vacancy, Subsection 20A-1-512(1)(a)(ii) or 20A-1-512(2);

(ii) fewer qualified candidates timely file to be considered for appointment to the local district board than are necessary to fill the board;

(iii) the county legislative body appoints each of the qualified candidates who timely filed to be considered for appointment to the board; and

(iv) the county legislative body appoints a member of the body to the local district board, in accordance with Subsection 17B-1-304(6) or Subsection 20A-1-512(1)(c), who was:
(A) elected at large by the voters of the county;
(B) elected from a division of the county that includes more than 50% of the geographic area of the local district; or
(C) if the local district is divided into divisions under Section 17B-1-306.5, elected from a division of the county that includes more than 50% of the geographic area of the division of the local district in which there is a board vacancy.

(d) If it is necessary to reconstitute the board of trustees of a local district located solely within a county of the fifth or sixth class because the term of a majority of the members of the board has expired without new trustees having been elected or appointed as required by law, even if sufficient qualified candidates timely file to be considered for a vacancy on the board, the county legislative body may appoint to the local district board no more than one of the county legislative body’s own members who does not satisfy the requirements of Subsection (1).

(4)

(a) Except as otherwise provided by statute, the number of members of each board of trustees of a local district that has nine or fewer members shall have an odd number of members that is no fewer than three.

(b) If a board of trustees of a local district has more than nine members, the number of members may be odd or even.

(5) For a newly created local district, the number of members of the initial board of trustees shall be the number specified:

(a) for a local district whose creation was initiated by a petition under Subsection 17B-1-203(1) (a), (b), or (c), in the petition; or

(b) for a local district whose creation was initiated by a resolution under Subsection 17B-1-203(1) (d) or (e), in the resolution.

(6)

(a) For an existing local district, the number of members of the board of trustees may be changed by a two-thirds vote of the board of trustees.
(b) No change in the number of members of a board of trustees under Subsection (6)(a) may:
   (i) violate Subsection (4); or
   (ii) serve to shorten the term of any member of the board.

Amended by Chapter 40, 2019 General Session
Amended by Chapter 108, 2019 General Session

17B-1-303 Term of board of trustees members -- Oath of office -- Bond -- Notice of board member contact information.

(1)
   (a) Except as provided in Subsections (1)(b), (c), (d), and (e), the term of each member of a board of trustees begins at noon on the January 1 following the member's election or appointment.
   (b) The term of each member of the initial board of trustees of a newly created local district begins:
      (i) upon appointment, for an appointed member; and
      (ii) upon the member taking the oath of office after the canvass of the election at which the member is elected, for an elected member.
   (c) The term of each water conservancy district board member whom the governor appoints in accordance with Subsection 17B-2a-1005(2)(c):
      (i) begins on the later of the following:
         (A) the date on which the Senate consents to the appointment; or
         (B) the expiration date of the prior term; and
      (ii) ends on the February 1 that is approximately four years after the date described in Subsection (1)(c)(i)(A) or (B).
   (d) The term of a member of a board of trustees whom an appointing authority appoints in accordance with Subsection (5)(b) begins upon the member taking the oath of office.
   (e) If the member of the board of trustees fails to assume or qualify for office on January 1 for any reason, the term begins on the date the member assumes or qualifies for office.

(2)
   (a) Except as provided in Subsection (8), and subject to Subsections (2)(a)(ii) and (iii), the term of each member of a board of trustees is four years, except that approximately half the members of the initial board of trustees, chosen by lot, shall serve a two-year term so that the term of approximately half the board members expires every two years.
   (ii) If the terms of members of the initial board of trustees of a newly created local district do not begin on January 1 because of application of Subsection (1)(b), the terms of those members shall be adjusted as necessary, subject to Subsection (2)(a)(iii), to result in the terms of their successors complying with:
      (A) the requirement under Subsection (1)(a) for a term to begin on January 1 following a member's election or appointment; and
      (B) the requirement under Subsection (2)(a)(i) that terms be four years.
   (iii) If the term of a member of a board of trustees does not begin on January 1 because of the application of Subsection (1)(e), the term is shortened as necessary to result in the term complying with the requirement under Subsection (1)(a) that the successor member's term, regardless of whether the incumbent is the successor, begins at noon on January 1 following the successor member's election or appointment.
(iv) An adjustment under Subsection (2)(a)(ii) may not add more than a year to or subtract more than a year from a member's term.

(b) Each board of trustees member shall serve until a successor is duly elected or appointed and qualified, unless the member earlier is removed from office or resigns or otherwise leaves office.

(c) If a member of a board of trustees no longer meets the qualifications of Subsection 17B-1-302(1), (2), or (3), or if the member's term expires without a duly elected or appointed successor:
   (i) the member's position is considered vacant, subject to Subsection (2)(c)(ii); and
   (ii) the member may continue to serve until a successor is duly elected or appointed and qualified.

(3)
(a) Before entering upon the duties of office, each member of a board of trustees shall take the oath of office specified in Utah Constitution, Article IV, Section 10.
   (ii) A judge, county clerk, notary public, or the local district clerk may administer an oath of office.
(b) The member of the board of trustees taking the oath of office shall file the oath of office with the clerk of the local district.
(c) The failure of a board of trustees member to take the oath under Subsection (3)(a) does not invalidate any official act of that member.

(4) A board of trustees member may serve any number of terms.

(5)
(a) Except as provided in Subsection (6), each midterm vacancy in a board of trustees position is filled in accordance with Section 20A-1-512.
(b) When the number of members of a board of trustees increases in accordance with Subsection 17B-1-302(6), the appointing authority may appoint an individual to fill a new board of trustees position in accordance with Section 17B-1-304 or 20A-1-512.

(6)
(a) For purposes of this Subsection (6):
   (i) "Appointed official" means a person who:
      (A) is appointed as a member of a local district board of trustees by a county or municipality that is entitled to appoint a member to the board; and
      (B) holds an elected position with the appointing county or municipality.
   (ii) "Appointing entity" means the county or municipality that appointed the appointed official to the board of trustees.
(b) The board of trustees shall declare a midterm vacancy for the board position held by an appointed official if:
   (i) during the appointed official's term on the board of trustees, the appointed official ceases to hold the elected position with the appointing entity; and
   (ii) the appointing entity submits a written request to the board to declare the vacancy.
(c) Upon the board's declaring a midterm vacancy under Subsection (6)(b), the appointing entity shall appoint another person to fill the remaining unexpired term on the board of trustees.

(7)
(a) Each member of a board of trustees shall give a bond for the faithful performance of the member's duties, in the amount and with the sureties that the board of trustees prescribes.
(b) The local district shall pay the cost of each bond required under Subsection (7)(a).

(8)
(a) The lieutenant governor may extend the term of an elected district board member by one year in order to compensate for a change in the election year under Subsection 17B-1-306(14).

(b) When the number of members of a board of trustees increases in accordance with Subsection 17B-1-302(6), to ensure that the term of approximately half of the board members expires every two years in accordance with Subsection (2)(a):

(i) the board shall set shorter terms for approximately half of the new board members, chosen by lot; and

(ii) the initial term of a new board member position may be less than two or four years.

(9)

(a) A local district shall:

(i) post on the Utah Public Notice Website created in Section 63F-1-701 the name, phone number, and email address of each member of the local district's board of trustees;

(ii) update the information described in Subsection (9)(a)(i) when:

(A) the membership of the board of trustees changes; or

(B) a member of the board of trustees' phone number or email address changes; and

(iii) post any update required under Subsection (9)(a)(ii) within 30 days after the date on which the change requiring the update occurs.

(b) This Subsection (9) applies regardless of whether the county or municipal legislative body also serves as the board of trustees of the local district.

Amended by Chapter 40, 2019 General Session
Amended by Chapter 255, 2019 General Session

17B-1-304 Appointment procedures for appointed members.

(1) The appointing authority may, by resolution, appoint persons to serve as members of a local district board by following the procedures established by this section.

(2)

(a) In any calendar year when appointment of a new local district board member is required, the appointing authority shall prepare a notice of vacancy that contains:

(i) the positions that are vacant that shall be filled by appointment;

(ii) the qualifications required to be appointed to those positions;

(iii) the procedures for appointment that the governing body will follow in making those appointments; and

(iv) the person to be contacted and any deadlines that a person shall meet who wishes to be considered for appointment to those positions.

(b) The appointing authority shall:

(i) post the notice of vacancy in four public places within the local district at least one month before the deadline for accepting nominees for appointment;

(ii) publish the notice of vacancy:

(A) in a daily newspaper of general circulation within the local district for five consecutive days before the deadline for accepting nominees for appointment; or

(B) in a local weekly newspaper circulated within the local district in the week before the deadline for accepting nominees for appointment; and

(iii) publish the notice of vacancy in accordance with Section 45-1-101 for five days before the deadline for accepting nominees for appointment.

(c) The appointing authority may bill the local district for the cost of preparing, printing, and publishing the notice.
(a) Not sooner than two months after the appointing authority is notified of the vacancy, the appointing authority shall select a person to fill the vacancy from the applicants who meet the qualifications established by law.

(b) The appointing authority shall:
   (i) comply with Title 52, Chapter 4, Open and Public Meetings Act, in making the appointment;
   (ii) allow any interested persons to be heard; and
   (iii) adopt a resolution appointing a person to the local district board.

(c) If no candidate for appointment to fill the vacancy receives a majority vote of the appointing authority, the appointing authority shall select the appointee from the two top candidates by lot.

(4) Persons appointed to serve as members of the local district board serve four-year terms, but may be removed for cause at any time after a hearing by two-thirds vote of the appointing body.

(5)
   (a) At the end of each board member’s term, the position is considered vacant, and, after following the appointment procedures established in this section, the appointing authority may either reappoint the incumbent board member or appoint a new member.

   (b) Notwithstanding Subsection (5)(a), a board member may continue to serve until a successor is elected or appointed and qualified in accordance with Subsection 17B-1-303(2)(b).

(6) Notwithstanding any other provision of this section, if the appointing authority appoints one of its own members and that member meets all applicable statutory board member qualifications, the appointing authority need not comply with Subsection (2) or (3).

Amended by Chapter 112, 2017 General Session

17B-1-305 Notice of offices to be filled.
   On or before February 1 of each election year in which board members of a local district are elected, the board of each local district required to participate in an election that year shall prepare and transmit to the clerk of each county in which any part of the district is located a written notice that:
   (1) designates the offices to be filled at that year’s election; and
   (2) identifies the dates for filing a declaration of candidacy for those offices.

Amended by Chapter 362, 2014 General Session

17B-1-306 Local district board -- Election procedures.
   (1) Except as provided in Subsection (12), each elected board member shall be selected as provided in this section.

   (2)
      (a) Each election of a local district board member shall be held:
         (i) at the same time as the municipal general election or the regular general election, as applicable; and
         (ii) at polling places designated by the local district board in consultation with the county clerk for each county in which the local district is located, which polling places shall coincide with municipal general election or regular general election polling places, as applicable, whenever feasible.

      (b) The local district board, in consultation with the county clerk, may consolidate two or more polling places to enable voters from more than one district to vote at one consolidated polling place.
(c) Subject to Subsections (5)(h) and (i), the number of polling places under Subsection (2)(a)(i) in an election of board members of an irrigation district shall be one polling place per division of the district, designated by the district board.

(ii) Each polling place designated by an irrigation district board under Subsection (2)(c)(i) shall coincide with a polling place designated by the county clerk under Subsection (2)(a)(ii).

(3) The clerk of each local district with a board member position to be filled at the next municipal general election or regular general election, as applicable, shall provide notice of:

(a) each elective position of the local district to be filled at the next municipal general election or regular general election, as applicable;
(b) the constitutional and statutory qualifications for each position; and
(c) the dates and times for filing a declaration of candidacy.

(4) The clerk of the local district shall publish the notice described in Subsection (3):

(a) by posting the notice on the Utah Public Notice Website created in Section 63F-1-701, for 10 days before the first day for filing a declaration of candidacy; and

(b) by posting the notice in at least five public places within the local district at least 10 days before the first day for filing a declaration of candidacy; or

(5) Except as provided in Subsection (5)(c), to become a candidate for an elective local district board position, an individual shall file a declaration of candidacy in person with an official designated by the local district, during office hours, within the candidate filing period for the applicable election year in which the election for the local district board is held.

(b) When the candidate filing deadline falls on a Saturday, Sunday, or holiday, the filing time shall be extended until the close of normal office hours on the following regular business day.

(c) Subject to Subsection (5)(f), an individual may designate an agent to file a declaration of candidacy with the official designated by the local district if:

(i) the individual is located outside of the state during the entire filing period;
(ii) the designated agent appears in person before the official designated by the local district; and
(iii) the individual communicates with the official designated by the local district using an electronic device that allows the individual and official to see and hear each other.

(d) Before the filing officer may accept any declaration of candidacy from an individual, the filing officer shall:

(A) read to the individual the constitutional and statutory qualification requirements for the office that the individual is seeking; and
(B) require the individual to state whether the individual meets those requirements.

(iii) If the individual does not meet the qualification requirements for the office, the filing officer may not accept the individual's declaration of candidacy.
(iii) If it appears that the individual meets the requirements of candidacy, the filing officer shall accept the individual’s declaration of candidacy.

(e) The declaration of candidacy shall be in substantially the following form:

"I, (print name) ____________, being first duly sworn, say that I reside at (Street) ______________, City of ______________, County of ______________, state of Utah, (Zip Code) ______, (Telephone Number, if any) ____________; that I meet the qualifications for the office of board of trustees member for _______________________ (state the name of the local district); that I am a candidate for that office to be voted upon at the next election; and that, if filing via a designated agent, I will be out of the state of Utah during the entire candidate filing period, and I hereby request that my name be printed upon the official ballot for that election.

(Signed) _________________________________________

Subscribed and sworn to (or affirmed) before me by ____________ on this ______ day of ____________, ____.

(Signed) ________________________

(Clerk or Notary Public)"

(f) An agent designated under Subsection (5)(c) may not sign the form described in Subsection (5)(e).

(g) Each individual wishing to become a valid write-in candidate for an elective local district board position is governed by Section 20A-9-601.

(h) If at least one individual does not file a declaration of candidacy as required by this section, an individual shall be appointed to fill that board position in accordance with the appointment provisions of Section 20A-1-512.

(i) If only one candidate files a declaration of candidacy and there is no write-in candidate who complies with Section 20A-9-601, the board, in accordance with Section 20A-1-206, may:

(i) consider the candidate to be elected to the position; and
(ii) cancel the election.

(6)

(a) A primary election may be held if:

(i) the election is authorized by the local district board; and
(ii) the number of candidates for a particular local board position or office exceeds twice the number of persons needed to fill that position or office.

(b) The primary election shall be conducted:

(i) on the same date as the municipal primary election or the regular primary election, as applicable; and
(ii) according to the procedures for primary elections provided under Title 20A, Election Code.

(7)

(a) Except as provided in Subsection (7)(c), within one business day after the deadline for filing a declaration of candidacy, the local district clerk shall certify the candidate names to the clerk of each county in which the local district is located.

(b)

(i) Except as provided in Subsection (7)(c) and in accordance with Section 20A-6-305, the clerk of each county in which the local district is located and the local district clerk shall coordinate the placement of the name of each candidate for local district office in the nonpartisan section of the ballot with the appropriate election officer.

(ii) If consolidation of the local district election ballot with the municipal general election ballot or the regular general election ballot, as applicable, is not feasible, the local district board of trustees, in consultation with the county clerk, shall provide for a separate local district
election ballot to be administered by poll workers at polling locations designated under Subsection (2).

(c)
(i) Subsections (7)(a) and (b) do not apply to an election of a member of the board of an irrigation district established under Chapter 2a, Part 5, Irrigation District Act.
(ii) (A) Subject to Subsection (7)(c)(ii)(B), the board of each irrigation district shall prescribe the form of the ballot for each board member election.
(B) Each ballot for an election of an irrigation district board member shall be in a nonpartisan format.
(C) The name of each candidate shall be placed on the ballot in the order specified under Section 20A-6-305.

(8)
(a) Each voter at an election for a board of trustees member of a local district shall:
   (i) be a registered voter within the district, except for an election of:
       (A) an irrigation district board of trustees member; or
       (B) a basic local district board of trustees member who is elected by property owners; and
   (ii) meet the requirements to vote established by the district.
(b) Each voter may vote for as many candidates as there are offices to be filled.
(c) The candidates who receive the highest number of votes are elected.

(9) Except as otherwise provided by this section, the election of local district board members is governed by Title 20A, Election Code.

(10)
(a) Except as provided in Subsection 17B-1-303(8), a person elected to serve on a local district board shall serve a four-year term, beginning at noon on the January 1 after the person's election.
(b) A person elected shall be sworn in as soon as practical after January 1.

(11)
(a) Except as provided in Subsection (11)(b), each local district shall reimburse the county or municipality holding an election under this section for the costs of the election attributable to that local district.
(b) Each irrigation district shall bear its own costs of each election it holds under this section.

(12) This section does not apply to an improvement district that provides electric or gas service.

(13) Except as provided in Subsection 20A-3-605(1)(b), the provisions of Title 20A, Chapter 3, Part 6, Early Voting, do not apply to an election under this section.

(14)
(a) As used in this Subsection (14), "board" means:
   (i) a local district board; or
   (ii) the administrative control board of a special service district that has elected members on the board.
(b) A board may hold elections for membership on the board at a regular general election instead of a municipal general election if the board submits an application to the lieutenant governor that:
   (i) requests permission to hold elections for membership on the board at a regular general election instead of a municipal general election; and
   (ii) indicates that holding elections at the time of the regular general election is beneficial, based on potential cost savings, a potential increase in voter turnout, or another material reason.
(c) Upon receipt of an application described in Subsection (14)(b), the lieutenant governor may approve the application if the lieutenant governor concludes that holding the elections at the regular general election is beneficial based on the criteria described in Subsection (14)(b)(ii).

(d) If the lieutenant governor approves a board’s application described in this section:

(i) all future elections for membership on the board shall be held at the time of the regular general election; and

(ii) the board may not hold elections at the time of a municipal general election unless the board receives permission from the lieutenant governor to hold all future elections for membership on the board at a municipal general election instead of a regular general election, under the same procedure, and by applying the same criteria, described in this Subsection (14).

Amended by Chapter 255, 2019 General Session

17B-1-306.5 Dividing a local district into divisions.

(1) Subject to Subsection (3), the board of trustees of a local district that has elected board members may, upon a vote of two-thirds of the members of the board, divide the local district, or the portion of the local district represented by elected board of trustees members, into divisions so that some or all of the elected members of the board of trustees may be elected by division rather than at large.

(2) Subject to Subsection (3), the appointing authority of a local district that has appointed board members may, upon a vote of two-thirds of the members of the appointing authority, divide the local district, or the portion of the local district represented by appointed board members, into divisions so that some or all of the appointed members of the board of trustees may be appointed by division rather than at large.

(3) Before dividing a local district into divisions or before changing the boundaries of divisions already established, the board of trustees under Subsection (1), or the appointing authority, under Subsection (2), shall:

(a) prepare a proposal that describes the boundaries of the proposed divisions; and

(b) hold a public hearing at which any interested person may appear and speak for or against the proposal.

(4)

(a) The board of trustees or the appointing authority shall review the division boundaries at least every 10 years.

(b) Except for changes in the divisions necessitated by annexations to or withdrawals from the local district, the boundaries of divisions established under Subsection (1) or (2) may not be changed more often than every five years.

(c) Changes to the boundaries of divisions already established under Subsection (1) or (2) are not subject to the two-thirds vote requirement of Subsection (1) or (2).

Amended by Chapter 377, 2014 General Session

17B-1-307 Annual compensation -- Per diem compensation -- Participation in group insurance plan -- Reimbursement of expenses.

(1)

(a) Except as provided in Subsection 17B-1-308(1)(e), a member of a board of trustees may receive compensation for service on the board, as determined by the board of trustees.

(b) The amount of compensation under this Subsection (1) may not exceed $5,000 per year.

(c)
(i) As determined by the board of trustees, a member of the board of trustees may participate in a group insurance plan provided to employees of the local district on the same basis as employees of the local district.

(ii) The amount that the local district pays to provide a member with coverage under a group insurance plan shall be included as part of the member's compensation for purposes of Subsection (1)(b).

(d) The amount that a local district pays employer-matching employment taxes, if a member of the board of trustees is treated as an employee for federal tax purposes, does not constitute compensation under Subsection (1).

(2) In addition to the compensation provided under Subsection (1), the board of trustees may elect to allow a member to receive per diem and travel expenses for up to 12 meetings or activities per year in accordance with Section 11-55-103.

Amended by Chapter 70, 2017 General Session

17B-1-308 Boards of trustees composed of county or municipal legislative body members.

(1) If a county or municipal legislative body also serves as the board of trustees of a local district:

(a) the board of trustees shall hold district meetings and keep district minutes, accounts, and other records separate from those of the county or municipality;

(b) subject to Subsection (2), the board of trustees may use, respectively, existing county or municipal facilities and personnel for district purposes;

(c) notwithstanding Subsections 17B-1-303(1) and (2), the term of office of each board of trustees member coincides with the member's term as a county or municipal legislative body member;

(d) each board of trustees member represents the district at large; and

(e) board members may not receive compensation for service as board members in addition to compensation the board members receive as members of a county or municipal legislative body.

(2) The county or municipal legislative body, as the case may be, shall charge the local district, and the local district shall pay to the county or municipality, a reasonable amount for:

(a) the county or municipal facilities that the district uses; and

(b) except for services that the county or municipal legislative body members render, the services that the county or municipality renders to the local district.

Amended by Chapter 40, 2019 General Session

17B-1-309 Board officers -- Term.

(1)

(a) The board of trustees shall elect from their number a chair and may elect other officers as the board considers appropriate.

(b) The offices of treasurer and clerk may not be held by the same person.

(2) Each officer serves at the pleasure of the board of trustees, but the board may designate a set term for officers.

 Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-310 Quorum of board of trustees -- Meetings of the board.

(1)
(a) 
(i) Except as provided in Subsection (1)(b), a majority of the board of trustees constitutes a quorum for the transaction of board business, and action by a majority of a quorum constitutes action of the board.
(ii) Except as otherwise required by law, an otherwise valid action of the board is not made invalid because of the method chosen by the board to take or memorialize the action.

(b) 
(i) Subject to Subsection (1)(b)(ii), a board may adopt bylaws or other rules that require more than a majority to constitute a quorum or that require action by more than a majority of a quorum to constitute action by the board.
(ii) A board with five or more members may not adopt bylaws or rules that require a vote of more than two-thirds of the board to constitute board action except for a board action to dispose of real property owned by the local district.

(2) The board of trustees shall hold such regular and special meetings as the board determines at a location that the board determines.

(3) 
(a) Each meeting of the board of trustees shall comply with Title 52, Chapter 4, Open and Public Meetings Act.
(b) Subject to Subsection (3)(c), a board of trustees shall:
   (i) adopt rules of order and procedure to govern a public meeting of the board of trustees;
   (ii) conduct a public meeting in accordance with the rules of order and procedure described in Subsection (3)(b)(i); and
   (iii) make the rules of order and procedure described in Subsection (3)(b)(i) available to the public:
      (A) at each meeting of the board of trustees; and
      (B) on the local district's public website, if available.
(c) Subsection (3)(b) does not affect the board of trustees' duty to comply with Title 52, Chapter 4, Open and Public Meetings Act.

Amended by Chapter 448, 2013 General Session

17B-1-311 Board member prohibited from district employment -- Exception.
(1) No elected or appointed member of the board of trustees of a local district may, while serving on the board, be employed by the district, whether as an employee or under a contract.
(2) No person employed by a local district, whether as an employee or under a contract, may serve on the board of that local district.
(3) A local district is not in violation of a prohibition described in Subsection (1) or (2) if the local district:
   (a) treats a member of a board of trustees as an employee for income tax purposes; and
   (b) complies with the compensation limits of Section 17B-1-307 for purposes of that member.
(4) This section does not apply to a local district if:
   (a) fewer than 3,000 people live within 40 miles of the primary place of employment, measured over all weather public roads; and
   (b) with respect to the employment of a board of trustees member under Subsection (1):
      (i) the job opening has had reasonable public notice; and
      (ii) the person employed is the best qualified candidate for the position.
(5) This section does not apply to a board of trustees of a large public transit district as described in Chapter 2a, Part 8, Public Transit District Act.
17B-1-312 Training for board members.

(1) (a) Each member of a board of trustees of a local district shall, within one year after taking office, complete the training described in Subsection (2).

(b) For the purposes of Subsection (1)(a), a member of a board of trustees of a local district takes office each time the member is elected or appointed to a new term, including an appointment to fill a midterm vacancy in accordance with Subsection 17B-1-303(5) or (6).

(2) In conjunction with the Utah Association of Special Districts, the state auditor shall:
(a) develop a training curriculum for the members of local district boards;
(b) with the assistance of other state offices and departments the state auditor considers appropriate and at times and locations established by the state auditor, carry out the training of members of local district boards; and
(c) ensure that any training required under this Subsection (2) complies with Title 63G, Chapter 22, State Training and Certification Requirements.

(3) (a) A local district board of trustees may compensate each member of the board for each day of training described in Subsection (2) that the member completes, in accordance with Section 11-55-103.

(b) The compensation authorized under Subsection (3)(a) is in addition to all other amounts of compensation and expense reimbursement authorized under this chapter.

(c) A board of trustees may not pay compensation under Subsection (3)(a) to any board member more than once per year.

(4) The state auditor shall issue a certificate of completion to each board member that completes the training described in Subsection (2).

Amended by Chapter 200, 2018 General Session

17B-1-313 Publication of notice of board resolution or action -- Contest period -- No contest after contest period.

(1) After the board of trustees of a local district adopts a resolution or takes other action on behalf of the district, the board may provide for the publication of a notice of the resolution or other action.

(2) Each notice under Subsection (1) shall:
(a) include, as the case may be:
(i) the language of the resolution or a summary of the resolution; or
(ii) a description of the action taken by the board;
(b) state that:
(i) any person in interest may file an action in district court to contest the regularity, formality, or legality of the resolution or action within 30 days after the date of publication; and
(ii) if the resolution or action is not contested by filing an action in district court within the 30-day period, no one may contest the regularity, formality, or legality of the resolution or action after the expiration of the 30-day period; and
(c) be published:
(i) in a newspaper that is published or has general circulation in the district; and
(ii) as required in Section 45-1-101.
(3) For a period of 30 days after the date of the publication, any person in interest may contest the regularity, formality, or legality of the resolution or other action by filing an action in district court.

(4) After the expiration of the 30-day period under Subsection (3), no one may contest the regularity, formality, or legality of the resolution or action for any cause.

Amended by Chapter 388, 2009 General Session

17B-1-314 Compelling attendance at board meetings.
The board of trustees of a local district may:
(1) compel the attendance of its own members at its meetings; and
(2) provide penalties it considers necessary for the failure to attend.

Enacted by Chapter 106, 2011 General Session

Part 4
Annexation

17B-1-401 Definitions.
For purposes of this part:
(1) "Applicable area" means:
   (a) for a county, the unincorporated area of the county that is included within the area proposed for annexation; or
   (b) for a municipality, the area of the municipality that is included within the area proposed for annexation.
(2) "Retail" means, with respect to a service provided by a municipality or local district, that the service is provided directly to the ultimate user.
(3) "Wholesale" means, with respect to a service provided by a local district, that the service is not provided directly to the ultimate user but is provided to a retail provider.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-402 Annexation of area outside local district.
(1) An area outside the boundaries of a local district may be annexed to the local district, as provided in this part, in order to provide to the area a service that the local district provides.
(2) The area proposed to be annexed:
   (a) may consist of one or more noncontiguous areas; and
   (b) need not be adjacent to the boundaries of the proposed annexing local district.
(3) With respect to a local district in the creation of which an election was not required under Subsection 17B-1-214(3)(d):
   (a) an unincorporated area of a county may not be annexed to the local district unless, after annexation, at least a majority of the unincorporated area of the county will be included in the local district; and
   (b) the annexation of any part of an area within a municipality shall include all of the area within the municipality.
(4) A local district may not annex an area located within a project area described in a project area plan adopted by the military installation development authority under Title 63H, Chapter 1, Military Installation Development Authority Act, without the authority’s approval.

Amended by Chapter 68, 2011 General Session

17B-1-403 Initiation of annexation process -- Petition and resolution.
(1) Except as provided in Sections 17B-1-415, 17B-1-416, and 17B-1-417, the process to annex an area to a local district may be initiated by:

(a) (i) for a district whose board of trustees is elected by electors based on the acre-feet of water allotted to the land owned by the elector and subject to Subsection (2), a petition signed by the owners of all of the acre-feet of water allotted to the land proposed for annexation; or

(ii) for all other districts:

(A) a petition signed by:

(I) the owners of private real property that:

(Aa) is located within the area proposed to be annexed;

(Bb) covers at least 10% of the total private land area within the entire area proposed to be annexed and within each applicable area; and

(Cc) is equal in assessed value to at least 10% of the assessed value of all private real property within the entire area proposed to be annexed and within each applicable area; or

(II) the owner of all the publicly owned real property, if all the real property within the area proposed for annexation is owned by a public entity other than the federal government; or

(B) a petition signed by registered voters residing within the entire area proposed to be annexed and within each applicable area equal in number to at least 10% of the number of votes cast within the entire area proposed to be annexed and within each applicable area, respectively, for the office of governor at the last regular general election before the filing of the petition;

(b) a resolution adopted by the legislative body of each county whose unincorporated area includes and each municipality whose boundaries include any of the area proposed to be annexed; or

(c) a resolution adopted by the board of trustees of the proposed annexing local district if, for at least 12 consecutive months immediately preceding adoption of the resolution, the local district has provided:

(i) retail service to the area; or

(ii) a wholesale service to a provider of the same service that has provided that service on a retail basis to the area.

(2) If an association representing all acre-feet of water allotted to the land that is proposed to be annexed to a local district signs a petition under Subsection (1)(a)(i), pursuant to a proper exercise of authority as provided in the bylaws or other rules governing the association, the petition shall be considered to have been signed by the owners of all of the acre-feet of water allotted to the land proposed for annexation, even though less than all of the owners within the association consented to the association signing the petition.

(3) Each petition and resolution under Subsection (1) shall:

(a) describe the area proposed to be annexed; and

(b) be accompanied by a map of the boundaries of the area proposed to be annexed.
(4) The legislative body of each county and municipality that adopts a resolution under Subsection (1)(b) shall, within five days after adopting the resolution, mail or deliver a copy of the resolution to the board of trustees of the proposed annexing local district.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-404 Petition requirements.
(1) Each petition under Subsection 17B-1-403(1)(a) shall:
(a) indicate the typed or printed name and current residence address of each person signing the petition;
(b) separately group signatures by county and municipality, so that all signatures of the owners of real property located within or of registered voters residing within each county whose unincorporated area includes and each municipality whose boundaries include part of the area proposed for annexation are grouped separately;
(c) if it is a petition under Subsection 17B-1-403(1)(a)(i) or (ii)(A), indicate the address of the property as to which the owner is signing the petition;
(d) 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;
(e) be filed with the board of trustees of the proposed annexing local district; and
(f) for a petition under Subsection 17B-1-403(1)(a)(i), state the proposed method of supplying water to the area proposed to be annexed.

(2) By submitting a written withdrawal or reinstatement with the board of trustees of the proposed annexing local district, a signer of a petition may withdraw, or once withdrawn, reinstate the signer's signature at any time:
(a) before the public hearing under Section 17B-1-409 is held; or
(b) if a hearing is not held because of Subsection 17B-1-413(1) or because no hearing is requested under Subsection 17B-1-413(2)(a)(ii)(B), until 20 days after the local district provides notice under Subsection 17B-1-413(2)(a)(i).

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-405 Petition certification.
(1) Within 30 days after the filing of a petition under Subsection 17B-1-403(1)(a)(i) or (ii) or within the time that the local district and each petition sponsor designate by written agreement, the board of trustees of the proposed annexing local district shall:
(a) with the assistance of officers of the county in which the area proposed to be annexed is located from whom the board requests assistance, determine whether the petition meets the requirements of Subsection 17B-1-403(1)(a)(i) or (ii), as the case may be, Subsection 17B-1-403(3), and Subsection 17B-1-404(1); and
(b) if the board 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 board 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 board 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 board shall process an amended petition filed under Subsection (2)(a) in the same manner as an original petition under Subsection (1).

Amended by Chapter 350, 2009 General Session

17B-1-406 Notice to county and municipality -- Exception.
(1) Except as provided in Subsection (2), within 10 days after certifying a petition under Subsection 17B-1-405(1)(b) the board of trustees of the proposed annexing local district shall mail or deliver a written notice of the proposed annexation, with a copy of the certification and a copy of the petition, to the legislative body of each:
(a) county in whose unincorporated area any part of the area proposed for annexation is located; and
(b) municipality in which any part of the area proposed for annexation is located.
(2) The board is not required to send a notice under Subsection (1) to:
(a) a county or municipality that does not provide the service proposed to be provided by the local district; or
(b) a county or municipality whose legislative body has adopted an ordinance or resolution waiving the notice requirement as to:
   (i) the proposed annexing local district; or
   (ii) the service that the proposed annexing local district provides.
(3) For purposes of this section, an area proposed to be annexed to a municipality in a petition under Section 10-2-403 filed before and still pending at the time of the filing of a petition under Subsection 17B-1-403(1)(a) and an area included within a municipality's annexation policy plan under Section 10-2-401.5 shall be considered to be part of that municipality.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-407 Notice of intent to consider providing service -- Public hearing requirements.
(1)
(a) If the legislative body of a county or municipality whose applicable area is proposed to be annexed to a local district in a petition under Subsection 17B-1-403(1)(a) intends to consider having the county or municipality, respectively, provide to the applicable area the service that the proposed annexing local district provides, the legislative body shall, within 30 days after receiving the notice under Subsection 17B-1-406(1), mail or deliver a written notice to the board of trustees of the proposed annexing local district indicating that intent.

(b)
(i) A notice of intent under Subsection (1)(a) suspends the local district's annexation proceeding as to the applicable area of the county or municipality that submits the notice of intent until the county or municipality:
   (A) adopts a resolution under Subsection 17B-1-408(1) declining to provide the service proposed to be provided by the proposed annexing local district; or
   (B) is considered under Subsection 17B-1-408(2) or (3) to have declined to provide the service.
(ii) The suspension of an annexation proceeding under Subsection (1)(b)(i) as to an applicable area does not prevent the local district from continuing to pursue the annexation proceeding with respect to other applicable areas for which no notice of intent was submitted.
(c) If a legislative body does not mail or deliver a notice of intent within the time required under Subsection (1)(a), the legislative body shall be considered to have declined to provide the service.

(2) Each legislative body that mails or delivers a notice under Subsection (1)(a) shall hold a public hearing or a set of public hearings, sufficient in number and location to ensure that no substantial group of residents of the area proposed for annexation need travel an unreasonable distance to attend a public hearing.

(3) Each public hearing under Subsection (2) shall be held:
   (a) no later than 45 days after the legislative body sends notice under Subsection (1);
   (b) except as provided in Subsections (6) and (7), within the applicable area; and
   (c) for the purpose of allowing public input on:
      (i) whether the service is needed in the area proposed for annexation;
      (ii) whether the service should be provided by the county or municipality or the proposed annexing local district; and
      (iii) all other matters relating to the issue of providing the service or the proposed annexation.

(4) A quorum of the legislative body of each county or municipal legislative body holding a public hearing under this section shall be present throughout each hearing held by that county or municipal legislative body.

(5) Each hearing under this section shall be held on a weekday evening other than a holiday beginning no earlier than 6 p.m.

(6) Two or more county or municipal legislative bodies may jointly hold a hearing or set of hearings required under this section if all the requirements of this section, other than the requirements of Subsection (3)(b), are met as to each hearing.

(7) Notwithstanding Subsection (3)(b), a county or municipal legislative body may hold a public hearing or set of public hearings outside the applicable area if:
   (a) there is no reasonable place to hold a public hearing within the applicable area; and
   (b) the public hearing or set of public hearings is held as close to the applicable area as reasonably possible.

(8) Before holding a public hearing or set of public hearings under this section, the legislative body of each county or municipality that receives a request for service shall provide notice of the hearing or set of hearings as provided in Section 17B-1-211.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-408 Resolution indicating whether the requested service will be provided.
(1) Within 30 days after the last hearing required under Section 17B-1-407 is held, the legislative body of each county and municipality that sent a notice of intent under Subsection 17B-1-407(1) shall adopt a resolution indicating whether the county or municipality will provide to the area proposed for annexation within its boundaries the service proposed to be provided by the proposed annexing local district.

(2) If the county or municipal legislative body fails to adopt a resolution within the time provided under Subsection (1), the county or municipality shall be considered to have declined to provide the service.

(3) If a county or municipal legislative body adopts a resolution under Subsection (1) indicating that the county or municipality will provide the service but the county or municipality does not, within
120 days after the adoption of that resolution, take substantial measures to provide the service, the county or municipality shall be considered to have declined to provide the service.

(4) Each county or municipality whose legislative body adopts a resolution under Subsection (1) indicating that the county or municipality will provide the service shall diligently proceed to take all measures necessary to provide the service.

(5) If a county or municipal legislative body adopts a resolution under Subsection (1) indicating that the county or municipality will provide the service and the county or municipality takes substantial measures within the time provided in Subsection (3) to provide the service, the local district's annexation proceeding as to the applicable area of that county or municipality is terminated and that applicable area is considered deleted from the area proposed to be annexed in a petition under Subsection 17B-1-403(1)(a).

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-409 Public hearing on proposed annexation.

(1) Except as provided in Sections 17B-1-413 and 17B-1-415, the board of trustees of each local district that certifies a petition that was filed under Subsection 17B-1-403(1)(a)(ii)(A) or (B), receives a resolution adopted under Subsection 17B-1-403(1)(b), or adopts a resolution under Subsection 17B-1-403(1)(c) shall hold a public hearing on the proposed annexation and provide notice of the hearing as provided in Section 17B-1-410.

(2) Each public hearing under Subsection (1) shall be held:

(a) within 45 days after:

(i) if no notice to a county or municipal legislative body is required under Section 17B-1-406, petition certification under Section 17B-1-405; or

(ii) if notice is required under Section 17B-1-406, but no notice of intent is submitted by the deadline:

(A) expiration of the deadline under Subsection 17B-1-407(1) to submit a notice of intent; or

(B) termination of a suspension of the annexation proceeding under Subsection 17B-1-407(1) (b);

(b)

(i) for a local district located entirely within a single county:

(A) within or as close as practicable to the area proposed to be annexed; or

(B) at the local district office; or

(ii) for a local district located in more than one county:

(A)

(I) within the county in which the area proposed to be annexed is located; and

(II) within or as close as practicable to the area proposed to be annexed; or

(B) if the local district office is reasonably accessible to all residents within the area proposed to be annexed, at the local district office;

(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 annexation and issues raised by it; and

(ii) any interested person to address the board regarding the proposed annexation.

(3) A quorum of the board of trustees of the proposed annexing local district shall be present throughout each public hearing held under this section.

(4)
(a) After holding a public hearing under this section or, if no hearing is held because of application of Subsection 17B-1-413(2)(a)(ii), after expiration of the time under Subsection 17B-1-413(2)(a)(ii)(B) for requesting a hearing, the board of trustees may by resolution deny the annexation and terminate the annexation procedure if:
   (i) for a proposed annexation initiated by a petition under Subsection 17B-1-403(1)(a)(i) or (ii), the board determines that:
      (A) it is not feasible for the local district to provide service to the area proposed to be annexed; or
      (B) annexing the area proposed to be annexed would be inequitable to the owners of real property or residents already within the local district; or
   (ii) for a proposed annexation initiated by resolution under Subsection 17B-1-403(1)(b) or (c), the board determines not to pursue annexation.
(b) In each resolution adopted under Subsection (4)(a), the board shall set forth its reasons for denying the annexation.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-410 Notice of public hearing.
(1) Before holding a public hearing required under Section 17B-1-409, the board of trustees of each proposed annexing local district shall:
   (a) mail notice of the public hearing and the proposed annexation to:
      (i) if the local district is funded predominantly by revenues from a property tax, each owner of private real property located within the area proposed to be annexed, as shown upon the county assessment roll last equalized as of the previous December 31; or
      (ii) if the local district is not funded predominantly by revenues from a property tax, each registered voter residing within the area proposed to be annexed, as determined by the voter registration list maintained by the county clerk as of a date selected by the board of trustees that is at least 20 but not more than 60 days before the public hearing; and
   (b) post notice of the public hearing and the proposed annexation in at least four conspicuous places within the area proposed to be annexed, no less than 10 and no more than 30 days before the public hearing.
(2) Each notice required under Subsection (1) shall:
   (a) describe the area proposed to be annexed;
   (b) identify the proposed annexing local district;
   (c) state the date, time, and location of the public hearing;
   (d) provide a local district telephone number where additional information about the proposed annexation may be obtained;
   (e) specify the estimated financial impact, in terms of taxes and fees, upon the typical resident and upon the typical property owner within the area proposed to be annexed if the proposed annexation is completed; and
   (f) except for a proposed annexation under a petition that meets the requirements of Subsection 17B-1-413(1), explain that property owners and registered voters within the area proposed to be annexed may protest the annexation by filing a written protest with the local district board of trustees within 30 days after the public hearing.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-411 Modifications to area proposed for annexation -- Limitations.
(1) Subject to Subsections (2), (3), (4), and (5), a board of trustees may, within 30 days after the public hearing under Section 17B-1-409, or, if no public hearing is held, within 30 days after the board provides notice under Subsection 17B-1-413(2)(a)(i), modify the area proposed for annexation to include land not previously included in that area or to exclude land from that area if the modification enhances the feasibility of the proposed annexation.

(b) A modification under Subsection (1)(a) may consist of the exclusion of all the land within an applicable area if:

(i) the entire area proposed to be annexed consists of more than that applicable area;
(ii) sufficient protests under Section 17B-1-412 are filed with respect to that applicable area that an election would have been required under Subsection 17B-1-412(3) if that applicable area were the entire area proposed to be annexed; and
(iii) the other requirements of Subsection (1)(a) are met.

(2) A board of trustees may not add property under Subsection (1) to the area proposed for annexation without the consent of the owner of that property.

(3) Except as provided in Subsection (1)(b), a modification under Subsection (1) may not avoid the requirement for an election under Subsection 17B-1-412(3) if, before the modification, the election was required because of protests filed under Section 17B-1-412.

(4) If the annexation is proposed by a petition under Subsection 17B-1-403(1)(a)(ii)(A) or (B), a modification may not be made unless the requirements of Subsection 17B-1-403(1)(a)(ii)(A) or (B) are met after the modification as to the area proposed to be annexed.

(5) If the petition meets the requirements of Subsection 17B-1-413(1) before a modification under this section but fails to meet those requirements after modification:

(a) the local district board shall give notice as provided in Section 17B-1-410 and hold a public hearing as provided in Section 17B-1-409 on the proposed annexation; and

(b) the petition shall be considered in all respects as one that does not meet the requirements of Subsection 17B-1-413(1).

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-412 Protests -- Election.

(1) An owner of private real property located within or a registered voter residing within an area proposed to be annexed may protest an annexation by filing a written protest with the board of trustees of the proposed annexing local district, except:

(i) as provided in Section 17B-1-413;
(ii) for an annexation under Section 17B-1-415; and
(iii) for an annexation proposed by a local district that receives sales and use tax funds from the counties, cities, and towns within the local district that impose a sales and use tax under Section 59-12-2213.

(b) A protest of a boundary adjustment is not governed by this section but is governed by Section 17B-1-417.

(2) Each protest under Subsection (1)(a) shall be filed within 30 days after the date of the public hearing under Section 17B-1-409.

(3) Except as provided in Subsection (4), the local district shall hold an election on the proposed annexation if:

(i) timely protests are filed by:
(A) the owners of private real property that:
   (I) is located within the area proposed to be annexed;
   (II) covers at least 10% of the total private land area within the entire area proposed to be
        annexed and within each applicable area; and
   (III) is equal in assessed value to at least 10% of the assessed value of all private real
        property within the entire area proposed to be annexed and within each applicable area;
   or
(B) registered voters residing within the entire area proposed to be annexed and within each
    applicable area equal in number to at least 10% of the number of votes cast within the
    entire area proposed for annexation and within each applicable area, respectively, for the
    office of governor at the last regular general election before the filing of the petition; or
(ii) the proposed annexing local district is one that receives sales and use tax funds from the
    counties, cities, and towns within the local district that impose a sales and use tax under
    Section 59-12-2213.

(b)
   (i) At each election held under Subsection (3)(a)(ii), the ballot question shall be phrased to
        indicate that a voter's casting a vote for or against the annexation includes also a vote for or
        against the imposition of the sales and use tax as provided in Section 59-12-2213.
   (ii) Except as otherwise provided in this part, each election under Subsection (3)(a) shall be
        governed by Title 20A, Election Code.

(c) If a majority of registered voters residing within the area proposed to be annexed and voting
    on the proposal vote:
   (i) in favor of annexation, the board of trustees shall, subject to Subsections 17B-1-414(1)(b),
       (2), and (3), complete the annexation by adopting a resolution approving annexation of the
       area; or
   (ii) against annexation, the annexation process is terminated, the board may not adopt a
        resolution approving annexation of the area, and the area proposed to be annexed may not
        for two years be the subject of an effort under this part to annex to the same local district.

(4) If sufficient protests are filed under this section to require an election for a proposed annexation
    to which the protest provisions of this section are applicable, a board of trustees may,
    notwithstanding Subsection (3), adopt a resolution rejecting the annexation and terminating the
    annexation process without holding an election.

Amended by Chapter 263, 2010 General Session

17B-1-413 Hearing, notice, and protest provisions do not apply for certain petitions.
(1) Section 17B-1-412 does not apply, and, except as provided in Subsection (2)(a), Sections
    17B-1-409 and 17B-1-410 do not apply:
(a) if the process to annex an area to a local district was initiated by:
   (i) a petition under Subsection 17B-1-403(1)(a)(i);
   (ii) a petition under Subsection 17B-1-403(1)(a)(ii)(A) that was signed by the owners of private
        real property that:
        (A) is located within the area proposed to be annexed;
        (B) covers at least 75% of the total private land area within the entire area proposed to be
            annexed and within each applicable area; and
        (C) is equal in assessed value to at least 75% of the assessed value of all private real
            property within the entire area proposed to be annexed and within each applicable area; or
(iii) a petition under Subsection 17B-1-403(1)(a)(ii)(B) that was signed by registered voters residing within the entire area proposed to be annexed and within each applicable area equal in number to at least 75% of the number of votes cast within the entire area proposed to be annexed and within each applicable area, respectively, for the office of governor at the last regular general election before the filing of the petition;

(b) to an annexation under Section 17B-1-415; or

(c) to a boundary adjustment under Section 17B-1-417.

(2)

(a) If a petition that meets the requirements of Subsection (1)(a) is certified under Section 17B-1-405, the local district board:

(i) shall provide notice of the proposed annexation as provided in Subsection (2)(b); and

(ii)

(A) may, in the board's discretion, hold a public hearing as provided in Section 17B-1-409 after giving notice of the public hearing as provided in Subsection (2)(b); and

(B) shall, after giving notice of the public hearing as provided in Subsection (2)(b), hold a public hearing as provided in Section 17B-1-409 if a written request to do so is submitted, within 20 days after the local district provides notice under Subsection (2)(a)(i), to the local district board by an owner of property that is located within or a registered voter residing within the area proposed to be annexed who did not sign the annexation petition.

(b) The notice required under Subsections (2)(a)(i) and (ii) shall:

(i) be given:

(A)

(I) for a notice under Subsection (2)(a)(i), within 30 days after petition certification; or

(II) for a notice of a public hearing under Subsection (2)(a)(ii), at least 10 but not more than 30 days before the public hearing; and

(B) by:

(I) posting written notice at the local district's principal office and in one or more other locations within or proximate to the area proposed to be annexed as are reasonable under the circumstances, considering the number of parcels included in that area, the size of the area, the population of the area, and the contiguousness of the area; and

(II) providing written notice:

(A) to at least one newspaper of general circulation, if there is one, within the area proposed to be annexed or to a local media correspondent; and

(B) on the Utah Public Notice Website created in Section 63F-1-701; and

(ii) contain a brief explanation of the proposed annexation and include the name of the local district, the service provided by the local district, a description or map of the area proposed to be annexed, a local district telephone number where additional information about the proposed annexation may be obtained, and, for a notice under Subsection (2)(a)(i), an explanation of the right of a property owner or registered voter to request a public hearing as provided in Subsection (2)(a)(ii)(B).

(c) A notice under Subsection (2)(a)(i) may be combined with the notice that is required for a public hearing under Subsection (2)(a)(ii)(A).

Amended by Chapter 90, 2010 General Session

17B-1-414 Resolution approving an annexation -- Filing of notice and plat with lieutenant governor -- Recording requirements -- Effective date.

(1)
(a) Subject to Subsection (1)(b), the local district board shall adopt a resolution approving the annexation of the area proposed to be annexed or rejecting the proposed annexation within 30 days after:
(i) expiration of the protest period under Subsection 17B-1-412(2), if sufficient protests to require an election are not filed;
(ii) for a petition that meets the requirements of Subsection 17B-1-413(1):
(A) a public hearing under Section 17B-1-409 is held, if the board chooses or is required to hold a public hearing under Subsection 17B-1-413(2)(a)(ii); or
(B) expiration of the time for submitting a request for public hearing under Subsection 17B-1-413(2)(a)(ii)(B), if no request is submitted and the board chooses not to hold a public hearing.

(b) If the local district has entered into an agreement with the United States that requires the consent of the United States for an annexation of territory to the district, a resolution approving annexation under this part may not be adopted until the written consent of the United States is obtained and filed with the board of trustees.

(2)
(a) Within the time specified under Subsection (2)(a)(ii), the board shall file with the lieutenant governor:
(A) 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, if applicable, Subsection (2)(b); and
(B) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5.

(ii) The board shall file the documents listed in Subsection (2)(a)(i) with the lieutenant governor:
(A) within 30 days after adoption of a resolution under Subsection (1), Subsection 17B-1-412(3)(c)(i), or Section 17B-1-415; and
(B) as soon as practicable after receiving the notice under Subsection 10-2-425(2) of a municipal annexation that causes an automatic annexation to a local district under Section 17B-1-416.

(b) For an automatic annexation to a local district under Section 17B-1-416, the notice of an impending boundary action required under Subsection (2)(a) shall state that an area outside the boundaries of the local district is being automatically annexed to the local district under Section 17B-1-416 because of a municipal annexation under Title 10, Chapter 2, Part 4, Annexation.

(c) Upon the lieutenant governor's issuance of a certificate of annexation under Section 67-1a-6.5, the board shall:
(i) if the annexed area is located within the boundary of a single county, submit to the recorder of that county:
(A) the original:
(I) notice of an impending boundary action;
(II) certificate of annexation; and
(III) approved final local entity plat; and
(B) a certified copy of the annexation resolution; or
(ii) if the annexed area is located within the boundaries of more than a single county:
(A) submit to the recorder of one of those counties:
(I) the original of the documents listed in Subsections (2)(c)(i)(A)(I), (II), and (III); and
(II) a certified copy of the annexation resolution; and
(B) submit to the recorder of each other county:
(I) a certified copy of the documents listed in Subsection (2)(c)(i)(A)(I), (II), and (III); and
(II) a certified copy of the annexation resolution.

(3)
(a) As used in this Subsection (3), "fire district annexation" means an annexation under this part of an area located in a county of the first class to a local district:
(i) created to provide fire protection, paramedic, and emergency services; and
(ii) in the creation of which an election was not required because of Subsection 17B-1-214(3) (d).

(b) An annexation under this part is complete and becomes effective:
(i)
(A) on July 1 for a fire district annexation, if the lieutenant governor issues the certificate of annexation under Section 67-1a-6.5 from January 1 through June 30; or
(B) on January 1 for a fire district annexation, if the lieutenant governor issues the certificate of annexation under Section 67-1a-6.5 from July 1 through December 31; or
(ii) upon the lieutenant governor's issuance of the certificate of annexation under Section 67-1a-6.5, for any other annexation.

(c)
(i) The effective date of a local district annexation for purposes of assessing property within the annexed area is governed by Section 59-2-305.5.
(ii) Until the documents listed in Subsection (2)(c) are recorded in the office of the recorder of each county in which the property is located, a local district may not:
(A) levy or collect a property tax on property within the annexed area;
(B) levy or collect an assessment on property within the annexed area; or
(C) charge or collect a fee for service provided to property within the annexed area.
(iii) Subsection (3)(c)(ii)(C):
(A) may not be construed to limit a local district's ability before annexation to charge and collect a fee for service provided to property that is outside the local district's boundary; and
(B) does not apply until 60 days after the effective date, under Subsection (3)(b), of the local district's annexation, with respect to a fee that the local district was charging for service provided to property within the annexed area immediately before the area was annexed to the local district.

Amended by Chapter 68, 2011 General Session

17B-1-415 Annexation of wholesale district through expansion of retail provider -- Annexation of a local district that provides transportation services.

(1)
(a) A local district that provides a wholesale service may adopt a resolution approving the annexation of an area outside the local district's boundaries if:
(i) the area is annexed by or otherwise added to, or is added to the retail service area of, a municipality or another local district that:
(A) acquires the wholesale service from the local district and provides it as a retail service;
(B) is, before the annexation or other addition, located at least partly within the local district; and
(C) after the annexation or other addition will provide to the annexed or added area the same retail service that the local district provides as a wholesale service to the municipality or other local district; and
(ii) except as provided in Subsection (2), no part of the area is within the boundaries of another local district that provides the same wholesale service as the proposed annexing local district.

(b) For purposes of this section:

(i) a local district providing public transportation service shall be considered to be providing a wholesale service; and

(ii) a municipality included within the boundaries of the local district providing public transportation service shall be considered to be acquiring that wholesale service from the local district and providing it as a retail service and to be providing that retail service after the annexation or other addition to the annexed or added area, even though the municipality does not in fact provide that service.

(2) Notwithstanding Subsection (1)(a)(ii), an area outside the boundaries of a local district providing a wholesale service and located partly or entirely within the boundaries of another local district that provides the same wholesale service may be annexed to the local district if:

(a) the conditions under Subsection (1)(a)(i) are present; and

(b) the proposed annexing local district and the other local district follow the same procedure as is required for a boundary adjustment under Section 17B-1-417, including both district boards adopting a resolution approving the annexation of the area to the proposed annexing local district and the withdrawal of that area from the other district.

(3) A local district that provides transportation services may adopt a resolution approving the annexation of the area outside of the local district's boundaries if:

(a) the area is within a county that has levied a sales and use tax under Section 59-12-2216; and

(b) the county legislative body has adopted a resolution approving the annexation of the areas outside of the local district.

(4) Upon the adoption of an annexation resolution under this section, the board of the annexing local district shall comply with the requirements of Subsection 17B-1-414(2), and the lieutenant governor shall issue a certificate of annexation and send a copy of notice as provided in Section 67-1a-6.5.

(5) Subsections 17B-1-414(2) and (3) apply to an annexation under this section.

Amended by Chapter 223, 2011 General Session

17B-1-416 Automatic annexation to a district providing fire protection, paramedic, and emergency services or law enforcement service.

(1) An area outside the boundaries of a local district that is annexed to a municipality or added to a municipality by a boundary adjustment under Title 10, Chapter 2, Part 4, Annexation, is automatically annexed to the local district if:

(a) the local district provides:

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

(ii) law enforcement service;

(b) an election for the creation of the local district was not required because of Subsection 17B-1-214(3)(d); and

(c) before the municipal annexation or boundary adjustment, the entire municipality that is annexing the area or adding the area by boundary adjustment was included within the local district.

(2) The effective date of an annexation under this section is governed by Subsection 17B-1-414(3) (b).
17B-1-417 Boundary adjustment -- Notice and hearing -- Protest -- Resolution adjusting boundaries -- Filing of notice and plat with the lieutenant governor -- Recording requirements -- Effective date.

(1) As used in this section, "affected area" means the area located within the boundaries of one local district that will be removed from that local district and included within the boundaries of another local district because of a boundary adjustment under this section.

(2) The boards of trustees of two or more local districts having a common boundary and providing the same service on the same wholesale or retail basis may adjust their common boundary as provided in this section.

(3) (a) The board of trustees of each local district intending to adjust a boundary that is common with another local district shall:
   (i) adopt a resolution indicating the board's intent to adjust a common boundary;
   (ii) hold a public hearing on the proposed boundary adjustment no less than 60 days after the adoption of the resolution under Subsection (3)(a)(i); and
   (iii) publish notice:
      (I) once a week for two successive weeks in a newspaper of general circulation within the local district; or
      (II) on the Utah Public Notice Website created in Section 63F-1-701, for two weeks; or
      (B) mail a notice to each owner of property located within the affected area and to each registered voter residing within the affected area.

(b) The notice required under Subsection (3)(a)(iii) shall:
   (i) state that the board of trustees of the local district has adopted a resolution indicating the board's intent to adjust a boundary that the local district has in common with another local district that provides the same service as the local district;
   (ii) describe the affected area;
   (iii) state the date, time, and location of the public hearing required under Subsection (3)(a)(ii);
   (iv) provide a local district telephone number where additional information about the proposed boundary adjustment may be obtained;
   (v) explain the financial and service impacts of the boundary adjustment on property owners or residents within the affected area; and
   (vi) state in conspicuous and plain terms that the board of trustees may approve the adjustment of the boundaries unless, at or before the public hearing under Subsection (3)(a)(ii), written protests to the adjustment are filed with the board by:
      (A) the owners of private real property that:
         (I) is located within the affected area;
         (II) covers at least 50% of the total private land area within the affected area; and
         (III) is equal in assessed value to at least 50% of the assessed value of all private real property within the affected area; or
      (B) registered voters residing within the affected area equal in number to at least 50% of the votes cast in the affected area for the office of governor at the last regular general election before the filing of the protests.
(c) The first publication of the notice required under Subsection (3)(a)(iii)(A) shall be within 14 days after the board's adoption of a resolution under Subsection (3)(a)(i).

(d) The boards of trustees of the local districts whose boundaries are being adjusted may jointly:
   (i) publish, post, or mail the notice required under Subsection (3)(a)(iii); and
   (ii) hold the public hearing required under Subsection (3)(a)(ii).

(4) After the public hearing required under Subsection (3)(a)(ii), the board of trustees may adopt a resolution approving the adjustment of the common boundary unless, at or before the public hearing, written protests to the boundary adjustment have been filed with the board by:
   (a) the owners of private real property that:
      (i) is located within the affected area;
      (ii) covers at least 50% of the total private land area within the affected area; and
      (iii) is equal in assessed value to at least 50% of the assessed value of all private real property within the affected area; or
   (b) registered voters residing within the affected area equal in number to at least 50% of the votes cast in the affected area for the office of governor at the last regular general election before the filing of the protests.

(5) A resolution adopted under Subsection (4) does not take effect until the board of each local district whose boundaries are being adjusted has adopted a resolution under Subsection (4).

(6) The board of the local district whose boundaries are being adjusted to include the affected area shall:
   (a) within 30 days after the resolutions take effect under Subsection (5), file with the lieutenant governor:
      (i) a copy of a notice of an impending boundary action, as defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and
      (ii) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5; and
   (b) upon the lieutenant governor's issuance of a certificate of boundary adjustment under Section 67-1a-6.5:
      (i) if the affected area is located within the boundary of a single county, submit to the recorder of that county:
         (A) the original:
            (I) notice of an impending boundary action;
            (II) certificate of boundary adjustment; and
            (III) approved final local entity plat; and
         (B) a certified copy of each resolution adopted under Subsection (4); or
      (ii) if the affected area is located within the boundaries of more than a single county:
         (A) submit to the recorder of one of those counties:
            (I) the original of the documents listed in Subsections (6)(b)(i)(A)(I), (II), and (III); and
            (II) a certified copy of each resolution adopted under Subsection (4); and
         (B) submit to the recorder of each other county:
            (I) a certified copy of the documents listed in Subsections (6)(b)(i)(A)(I), (II), and (III); and
            (II) a certified copy of each resolution adopted under Subsection (4).

(7)
   (a) Upon the lieutenant governor's issuance of a certificate of boundary adjustment under Section 67-1a-6.5, the affected area is annexed to the local district whose boundaries are being adjusted to include the affected area, and the affected area is withdrawn from the local district whose boundaries are being adjusted to exclude the affected area.

(b)
(i) The effective date of a boundary adjustment under this section for purposes of assessing property within the affected area is governed by Section 59-2-305.5.

(ii) Until the documents listed in Subsection (6)(b) are recorded in the office of the recorder of the county in which the property is located, a local district in whose boundary an affected area is included because of a boundary adjustment under this section may not:

(A) levy or collect a property tax on property within the affected area; 
(B) levy or collect an assessment on property within the affected area; or
(C) charge or collect a fee for service provided to property within the affected area.

(iii) Subsection (7)(b)(ii)(C):

(A) may not be construed to limit a local district's ability before a boundary adjustment to charge and collect a fee for service provided to property that is outside the local district's boundary; and

(B) does not apply until 60 days after the effective date, under Subsection (7)(a), of the local district's boundary adjustment, with respect to a fee that the local district was charging for service provided to property within the area affected by the boundary adjustment immediately before the boundary adjustment.

Amended by Chapter 90, 2010 General Session

17B-1-418 Annexed area subject to fees and taxes.

When an annexation under Section 17B-1-414 or 17B-1-415 or a boundary adjustment under Section 17B-1-417 is complete, the annexed area or the area affected by the boundary adjustment shall be subject to user fees imposed by and property, sales, and other taxes levied by or for the benefit of the local district.

Amended by Chapter 349, 2015 General Session

Part 5
Withdrawal

17B-1-501 Definition.

As used in this part, "receiving entity" means the entity that will, after the withdrawal of an area from a local district, provide to the withdrawn area the service that the local district previously provided to the area.

Enacted by Chapter 329, 2007 General Session

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

(1)

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

(b) Except as provided in Subsections (2) and (3), the inclusion of an area of a local district within a municipality because of a municipal incorporation under Title 10, Chapter 2a, Municipal Incorporation, or a municipal annexation or boundary adjustment under Title 10, Chapter
2, Part 4, Annexation, does not affect the requirements under this part for the process of withdrawing that area from the local district.

(2)
(a) An area within the boundaries of a local district is automatically withdrawn from the local district by the annexation of the area to a municipality or the adding of the area to a municipality by boundary adjustment under Title 10, Chapter 2, Part 4, Annexation, if:
   (i) the local district provides:
      (A) fire protection, paramedic, and emergency services; or
      (B) law enforcement service;
   (ii) an election for the creation of the local district was not required because of Subsection 17B-1-214(3)(d) or (g); and
   (iii) before annexation or boundary adjustment, the boundaries of the local district do not include any of the annexing municipality.
   (b) The effective date of a withdrawal under this Subsection (2) is governed by Subsection 17B-1-512(2)(b).

(3)
(a) Except as provided in Subsection (3)(c) or (d), an area within the boundaries of a local district located in a county of the first class is automatically withdrawn from the local district by the incorporation of a municipality whose boundaries include the area if:
   (i) the local district provides municipal services, as defined in Section 17B-2a-1102, excluding fire protection, paramedic, emergency, and law enforcement services;
   (ii) an election for the creation of the local district was not required because of Subsection 17B-1-214(3)(g); and
   (iii) the legislative body of the newly incorporated municipality:
      (A) for a city or town incorporated under Title 10, Chapter 2a, Part 4, Incorporation of Metro Townships and Unincorporated Islands in a County of the First Class on and after May 12, 2015, complies with the feasibility study requirements of Section 17B-2a-1110;
      (B) adopts a resolution no later than 180 days after the effective date of incorporation approving the withdrawal that includes the legal description of the area to be withdrawn; and
      (C) delivers a copy of the resolution to the board of trustees of the local district.
   (b) The effective date of a withdrawal under this Subsection (3) is governed by Subsection 17B-1-512(2)(a).
   (c) Section 17B-1-505 shall govern the withdrawal of an incorporated area within a county of the first class if:
      (i) the local district from which the area is withdrawn provides:
         (A) fire protection, paramedic, and emergency services;
         (B) law enforcement service; or
         (C) municipal services, as defined in Section 17B-2a-1102;
      (ii) an election for the creation of the local district was not required under Subsection 17B-1-214(3)(d) or (g); and
      (iii) for a local district that provides municipal services, as defined in Section 17B-2a-1102, excluding fire protection, paramedic, emergency, and law enforcement services, the 180-day period described in Subsection (3)(a)(iii)(B) is expired.
   (d) An area may not be withdrawn from a local district that provides municipal services, as defined in Section 17B-2a-1102, excluding fire protection, paramedic, emergency, and law enforcement services, if:
      (i) the area is incorporated as a metro township; and
(ii) at the election to incorporate as a metro township, the residents of the area chose to be included in a municipal services district.

Amended by Chapter 176, 2016 General Session
Amended by Chapter 348, 2016 General Session

17B-1-503 Withdrawal or boundary adjustment with municipal approval.
(1) A municipality and a local district whose boundaries adjoin or overlap may adjust the boundary of the local district to include more or less of the municipality, including the expansion area identified in the annexation policy plan adopted by the municipality under Section 10-2-401.5, in the local district by following the same procedural requirements as set forth in Section 17B-1-417 for boundary adjustments between adjoining local districts.

(2)
(a) Notwithstanding any other provision of this title, a municipality annexing all or part of an unincorporated island or peninsula under Title 10, Chapter 2, Classification, Boundaries, Consolidation, and Dissolution of Municipalities, that overlaps a municipal services district organized under Chapter 2a, Part 11, Municipal Services District Act, may petition to withdraw the area from the municipal services district in accordance with this Subsection (2).

(b) For a valid withdrawal described in Subsection (2)(a):
(i) the annexation petition under Section 10-2-403 or a separate consent, signed by owners of at least 60% of the total private land area, shall state that the signers request the area to be withdrawn from the municipal services district; and
(ii) the legislative body of the municipality shall adopt a resolution, which may be the resolution adopted in accordance with Subsection 10-2-418(5)(a), stating the municipal legislative body's intent to withdraw the area from the municipal services district.

(c) The board of trustees of the municipal services district shall consider the municipality's petition to withdraw the area from the municipal services district within 90 days after the day on which the municipal services district receives the petition.

(d) The board of trustees of the municipal services district:
(i) may hold a public hearing in accordance with the notice and public hearing provisions of Section 17B-1-508;
(ii) shall consider information that includes any factual data presented by the municipality and any owner of private real property who signed a petition or other form of consent described in Subsection (2)(b)(i); and
(iii) identify in writing the information upon which the board of trustees relies in approving or rejecting the withdrawal.

(e) The board of trustees of the municipal services district shall approve the withdrawal, effective upon the annexation of the area into the municipality or, if the municipality has already annexed the area, as soon as possible in the reasonable course of events, if the board of trustees makes a finding that:

(i)
(A) the loss of revenue to the municipal services district due to a withdrawal of the area will be offset by savings associated with no longer providing municipal-type services to the area; or
(B) if the loss of revenue will not be offset by savings resulting from no longer providing municipal-type services to the area, the municipality agreeing to terms and conditions, which may include terms and conditions described in Subsection 17B-1-510(5), can mitigate or eliminate the loss of revenue;
(ii) the annexation petition under Section 10-2-403, or a separate petition meeting the same signature requirements, states that the signers request the area to be withdrawn from the municipal services district; or

(iii) the following have consented in writing to the withdrawal:
   (A) owners of more than 60% of the total private land area; or
   (B) owners of private land equal in assessed value to more than 60% of the assessed value of all private real property within the area proposed for withdrawal have consented in writing to the withdrawal.

(f) If the board of trustees of the municipal services district does not make any of the findings described in Subsection (2)(e), the board of trustees may approve or reject the withdrawal based upon information upon which the board of trustees relies and that the board of trustees identifies in writing.

(g)
   (i) If a municipality annexes an island or a part of an island before May 14, 2019, the legislative body of the municipality may initiate the withdrawal of the area from the municipal services district by adopting a resolution that:
      (A) requests that the area be withdrawn from the municipal services district; and
      (B) a final local entity plat accompanies, identifying the area proposed to be withdrawn from the municipal services district.

   (ii)
      (A) Upon receipt of the resolution and except as provided in Subsection (2)(g)(ii)(B), the board of trustees of the municipal services district shall approve the withdrawal.
      (B) The board of trustees of the municipal services district may reject the withdrawal if the rejection is based upon a good faith finding that lost revenues due to the withdrawal will exceed expected cost savings resulting from no longer serving the area.

(h)
   (i) Based upon a finding described in Subsection (e) or (f):
      (A) the board of trustees of the municipal services district shall adopt a resolution approving the withdrawal; and
      (B) the chair of the board shall sign a notice of impending boundary action, as defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3).

   (ii) The annexing municipality shall deliver the following to the lieutenant governor:
      (A) the resolution and notice of impending boundary action described in Subsection (2)(g)(i);
      (B) a copy of an approved final local entity plat as defined in Section 67-1a-6.5; and
      (C) any other documentation required by law.

(i)
   (i) Once the lieutenant governor has issued an applicable certificate as defined in Section 67-1a-6.5, the municipality shall deliver the certificate, the resolution and notice of impending boundary action described in Subsection (2)(h)(i), the final local entity plat as defined in Section 67-1a-6.5, and any other document required by law, to the recorder of the county in which the area is located.

   (ii) After the municipality makes the delivery described in Subsection (2)(i)(i), the area, for all purposes, is no longer part of the municipal services district.

(j) The annexing municipality and the municipal services district may enter into an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act, stating:
   (i) the municipality's and the district's duties and responsibilities in conducting a withdrawal under this Subsection (2); and
(ii) any other matter respecting an unincorporated island that the municipality surrounds on all sides.

(3) After a boundary adjustment under Subsection (1) or a withdrawal under Subsection (2) is complete:
(a) the local district shall, without interruption, provide the same service to any area added to the local district as provided to other areas within the local district; and
(b) the municipality shall, without interruption, provide the same service that the local district previously provided to any area withdrawn from the local district.

(4) No area within a municipality may be added to the area of a local district under this section if the area is part of a local district that provides the same wholesale or retail service as the first local district.

Amended by Chapter 330, 2019 General Session

17B-1-504 Initiation of withdrawal process -- Notice of petition.
(1) Except as provided in Section 17B-1-505, the process to withdraw an area from a local district may be initiated:
(a) for a local district funded predominantly by revenues from property taxes or service charges other than those based upon acre-feet of water:
   (i) by a petition signed by the owners of private real property that:
      (A) is located within the area proposed to be withdrawn;
      (B) covers at least 51% of the total private land within the area proposed to be withdrawn; and
      (C) is equal in taxable value to at least 51% of the taxable value of all private real property within the area proposed to be withdrawn;
   (ii) by a petition signed by registered voters residing within the area proposed to be withdrawn equal in number to at least 67% of the number of votes cast in the same area for the office of governor at the last regular general election before the filing of the petition;
   (iii) by a resolution adopted by the board of trustees of the local district in which the area proposed to be withdrawn is located, which:
      (A) states the reasons for withdrawal; and
      (B) is accompanied by a general description of the area proposed to be withdrawn; or
   (iv) by a resolution to file a petition with the local district to withdraw from the local district all or a specified portion of the area within a municipality or county, adopted by the governing body of a municipality that has within its boundaries an area located within the boundaries of a local district, or by the governing body of a county that has within its boundaries an area located within the boundaries of a local district that is located in more than one county, which petition of the governing body shall be filed with the board of trustees only if a written request to petition the board of trustees to withdraw an area from the local district has been filed with the governing body of the municipality, or county, and the request has been signed by registered voters residing within the boundaries of the area proposed for withdrawal equal in number to at least 51% of the number of votes cast in the same area for the office of governor at the last regular general election before the filing of the petition;
(b) 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:
   (i) in the same manner as provided in Subsection (1)(a)(iii) or Subsection (1)(a)(iv); or
   (ii) by a petition signed by the owners of at least 67% of the acre-feet of water allotted to the land proposed to be withdrawn; or
(c) for a local district funded predominantly by revenues other than property taxes, service
charges, or assessments based upon an allotment of acre-feet of water:
   (i) in the same manner as provided in Subsection (1)(a)(iii) or Subsection (1)(a)(iv); or
   (ii) by a petition signed by the registered voters residing within the entire area proposed to be
        withdrawn, which area shall be comprised of an entire unincorporated area within the local
district or an entire municipality within a local district, or a combination thereof, equal in
number to at least 67% of the number of votes cast within the entire area proposed to be
withdrawn for the office of governor at the last regular general election before the filing of
the petition.
(2) Prior to soliciting any signatures on a petition under Subsection (1), the sponsors of the petition
shall:
   (a) notify the local district board with which the petition is intended to be filed that the sponsors
       will be soliciting signatures for a petition; and
   (b) mail a copy of the petition to the local district board.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-505 Withdrawal of municipality from certain districts providing fire protection,
paramedic, and emergency services or law enforcement service or municipal services.
(1) As used in this section, "first responder district" means a local district, other than a municipal
services district, that provides:
   (a) fire protection, paramedic, and emergency services; or
   (b) law enforcement service.
(2) This section applies to the withdrawal of a municipality that is entirely within the boundary of a
first responder district or municipal services district that was created without the necessity of an
election because of Subsection 17B-1-214(3)(d) or (g).
(3)
   (a) The process to withdraw a municipality from a first responder district or municipal services
district may be initiated by a resolution adopted by the legislative body of the municipality,
subject to Subsection (3)(b).
   (b) The legislative body of a municipality that is within a municipal services district may not adopt
a resolution under Subsection (3)(a) to withdraw from the municipal services district unless
the municipality has conducted a feasibility study in accordance with Section 17B-2a-1110.
(c) Within 10 days after adopting a resolution under Subsection (3)(a), the municipal legislative
body shall submit to the board of trustees of the first responder district or municipal services
district written notice of the adoption of the resolution, accompanied by a copy of the
resolution.
(4) If a resolution is adopted under Subsection (3)(a) by the legislative body of a municipality
within a municipal services district, the municipal legislative body shall hold an election at the
next municipal general election that is more than 60 days after adoption of the resolution on the
question of whether the municipality should withdraw from the municipal services district.
(5)
   (a) A municipality shall be withdrawn from a first responder district if:
      (i) the legislative body of the municipality adopts a resolution initiating the withdrawal under
          Subsection (3)(a); and
      (ii) (A) whether before or after the effective date of this section, the municipality and first
          responder district agree in writing to the withdrawal; or
(B) except as provided in Subsection (5)(b) and subject to Subsection (6), the voters of the municipality approve the withdrawal at an election held for that purpose.

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

(6) An election under Subsection (5)(a)(ii)(B) may not be held unless:
(a) a feasibility study is conducted under Section 17B-1-505.5; and
(b) the feasibility study concludes that the withdrawal is functionally and financially feasible for the municipality and the first responder district; or

(ii) the feasibility study concludes that the withdrawal would be functionally and financially feasible for the municipality and the first responder district if conditions specified in the feasibility study are met; and

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

(7) If a majority of those voting on the question of withdrawal at an election held under Subsection (4) or (5)(a)(ii)(B) vote in favor of withdrawal, the municipality shall be withdrawn from the local district.

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

(b) Each notice under Subsection (8)(a) shall:
(i) state the results of the withdrawal election; and
(ii) if the withdrawal was approved by voters, be accompanied by a copy of an approved final local entity plat, as defined in Section 67-1a-6.5.

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

Amended by Chapter 404, 2017 General Session

17B-1-505.5 Feasibility study for a municipality’s withdrawal from a local district providing fire protection, paramedic, and emergency services or law enforcement service.

(1) As used in this section:
(a) "Feasibility consultant" means a person with expertise in:
(i) the processes and economics of local government; and
(ii) the economics of providing fire protection, paramedic, and emergency services or law enforcement service.

(b) "Feasibility study" means a study to determine the functional and financial feasibility of a municipality’s withdrawal from a first responder local district.

(c) "First responder district" means a local district, other than a municipal services district, that provides:
(i) fire protection, paramedic, and emergency services; or
(ii) law enforcement service.
(d) "Withdrawing municipality" means a municipality whose legislative body has adopted a resolution under Subsection 17B-1-505(3)(a) to initiate the process of the municipality's withdrawal from a first responder district.

(2) This section applies and a feasibility study shall be conducted, as provided in this section, if:
(a) the legislative body of a municipality has adopted a resolution under Subsection 17B-1-505(3)(a) to initiate the process of the municipality's withdrawal from a first responder district;
(b) the municipality and first responder district have not agreed in writing to the withdrawal; and
(c) a feasibility study is a condition under Subsection 17B-1-505(6)(a) for an election to be held approving the withdrawal.

(3)
(a) As provided in this Subsection (3), the withdrawing municipality and first responder district shall choose and engage a feasibility consultant to conduct a feasibility study.
(b) The withdrawing municipality and first responder district shall jointly choose and engage a feasibility consultant according to applicable municipal or local district procurement procedures.
(c) (i) If the withdrawing municipality and first responder district cannot agree on and have not engaged a feasibility consultant under Subsection (3)(b) within 45 days after the legislative body of the withdrawing municipality submits written notice to the first responder district under Subsection 17B-1-505(3)(c), the withdrawing municipality and first responder district shall, as provided in this Subsection (3)(c), choose a feasibility consultant from a list of at least eight feasibility consultants provided by the Utah Association of Certified Public Accountants.
(ii) A list of feasibility consultants under Subsection (3)(c)(i) may not include a feasibility consultant that has had a contract to provide services to the withdrawing municipality or first responder district at any time during the two-year period immediately preceding the date the list is provided under Subsection (3)(c)(i).
(iii) 
(A) Beginning with the first responder district, the first responder district and withdrawing municipality shall alternately eliminate one feasibility consultant each from the list of feasibility consultants until one feasibility consultant remains.
(B) Within five days after receiving the list of consultants from the Utah Association of Certified Public Accountants, the first responder district shall make the first elimination of a feasibility consultant from the list and notify the withdrawing municipality in writing of the elimination.
(C) After the first elimination of a feasibility consultant from the list, the withdrawing municipality and first responder district shall each, within three days after receiving the written notification of the preceding elimination, notify the other in writing of the elimination of a feasibility consultant from the list.
(d) If a withdrawing municipality and first responder district do not engage a feasibility consultant under Subsection (3)(b), the withdrawing municipality and first responder district shall engage the feasibility consultant that has not been eliminated from the list at the completion of the process described in Subsection (3)(c).

(4) A feasibility consultant that conducts a feasibility study under this section shall be independent of and unaffiliated with the withdrawing municipality and first responder district.

(5) In conducting a feasibility study under this section, the feasibility consultant shall consider:
(a) population and population density within the withdrawing municipality;
(b) current and five-year projections of demographics and economic base in the withdrawing municipality, including household size and income, commercial and industrial development, and public facilities;
(c) projected growth in the withdrawing municipality during the next five years;
(d) subject to Subsection (6)(a), the present and five-year projections of the cost, including overhead, of providing the same service in the withdrawing municipality as is provided by the first responder district, including:
   (i) the estimated cost if the first responder district continues to provide service; and
   (ii) the estimated cost if the withdrawing municipality provides service;
(e) subject to Subsection (6)(a), the present and five-year projections of the cost, including overhead, of the first responder district providing service with:
   (i) the municipality included in the first responder district's service area; and
   (ii) the withdrawing municipality excluded from the first responder district's service area;
(f) a projection of any new taxes per household that may be levied within the withdrawing municipality within five years after the withdrawal;
(g) the fiscal impact that the withdrawing municipality's withdrawal has on other municipalities and unincorporated areas served by the first responder district, including any rate increase that may become necessary to maintain required coverage ratios for the first responder district's debt;
(h) the physical and other assets that will be required by the withdrawing municipality to provide, without interruption or diminution of service, the same service that is being provided by the first responder district;
(i) the physical and other assets that will no longer be required by the first responder district to continue to provide the current level of service to the remainder of the first responder district, excluding the withdrawing municipality, and could be transferred to the withdrawing municipality;
(j) subject to Subsection (6)(b), a fair and equitable allocation of the first responder district's assets between the first responder district and the withdrawing municipality, effective upon the withdrawal of the withdrawing municipality from the first responder district;
(k) a fair and equitable allocation of the debts, liabilities, and obligations of the first responder district and any local building authority of the first responder district, between the withdrawing municipality and the remaining first responder district, taking into consideration:
   (i) any requirement to maintain the excludability of interest from the income of the holder of the debt, liability, or obligation for federal income tax purposes; and
   (ii) any first responder district assets that have been purchased with the proceeds of bonds issued by the first responder district that the first responder district will retain and any of those assets that will be transferred to the withdrawing municipality;
(l) the number and classification of first responder district employees who will no longer be required to serve the remaining portions of the first responder district after the withdrawing municipality withdraws from the first responder district, including the dollar amount of the wages, salaries, and benefits attributable to the employees and the estimated cost associated with termination of the employees if the withdrawing municipality does not employ the employees;
(m) maintaining as a base, for a period of three years after withdrawal, the existing schedule of pay and benefits for first responder district employees who are transferred to the employment of the withdrawing municipality; and
(n) any other factor that the feasibility consultant considers relevant to the question of the withdrawing municipality's withdrawal from the first responder district.
(6) For purposes of Subsections (5)(d) and (e):
   (a) the feasibility consultant shall assume a level and quality of service to be provided in the future to the withdrawing municipality that fairly and reasonably approximates the level and quality of service that the first responder district provides to the withdrawing municipality at the time of the feasibility study;
   (b) in determining the present value cost of a service that the first responder district provides, the feasibility consultant shall consider:
      (A) the cost to the withdrawing municipality of providing the service for the first five years after the withdrawal; and
      (B) the first responder district's present and five-year projected cost of providing the same service within the withdrawing municipality; and
   (c) the feasibility consultant shall consider inflation and anticipated growth in calculating the cost of providing service.

(b) The feasibility consultant may not consider an allocation of first responder district assets or a transfer of first responder district employees to the extent that the allocation or transfer would impair the first responder district's ability to continue to provide the current level of service to the remainder of the first responder district without the withdrawing municipality, unless the first responder district consents to the allocation or transfer.

(7) A feasibility consultant may retain an architect, engineer, or other professional, as the feasibility consultant considers prudent and as provided in the agreement with the withdrawing municipality and first responder district, to assist the feasibility consultant to conduct a feasibility study.

(8) The withdrawing municipality and first responder district shall require the feasibility consultant to:
   (a) complete the feasibility study within a time established by the withdrawing municipality and first responder district;
   (b) prepare and submit a written report communicating the results of the feasibility study, including a one-page summary of the results; and
   (c) attend all public hearings relating to the feasibility study under Subsection (14).

(9) A written report of the results of a feasibility study under this section shall:
   (a) contain a recommendation concerning whether a withdrawing municipality's withdrawal from a first responder district is functionally and financially feasible for both the first responder district and the withdrawing municipality; and
   (b) include any conditions the feasibility consultant determines need to be satisfied in order to make the withdrawal functionally and financially feasible, including:
      (i) first responder district assets and liabilities to be allocated to the withdrawing municipality; and
      (ii) (A) first responder district employees to become employees of the withdrawing municipality; and
             (B) sick leave, vacation, and other accrued benefits and obligations relating to the first responder district employees that the withdrawing municipality needs to assume.

(10) The withdrawing municipality and first responder district shall equally share the feasibility consultant's fees and costs, as specified in the agreement between the withdrawing municipality and first responder district and the feasibility consultant.
(a) Upon completion of the feasibility study and preparation of a written report, the feasibility consultant shall deliver a copy of the report to the withdrawing municipality and first responder district.

(b)
(i) A withdrawing municipality or first responder district that disagrees with any aspect of a feasibility study report may, within 20 business days after receiving a copy of the report under Subsection (11)(a), submit to the feasibility consultant a written objection detailing the disagreement.

(ii)
(A) A withdrawing municipality that submits a written objection under Subsection (11)(b)(i) shall simultaneously deliver a copy of the objection to the first responder district.
(B) A first responder district that submits a written objection under Subsection (11)(b)(i) shall simultaneously deliver a copy of the objection to the withdrawing municipality.
(iii) A withdrawing municipality or first responder district may, within 10 business days after receiving an objection under Subsection (11)(b)(ii), submit to the feasibility consultant a written response to the objection.

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

(v) If an objection is filed under Subsection (11)(b)(i), the feasibility consultant shall, within 20 business days after the expiration of the deadline under Subsection (11)(b)(iii) for submitting a response to an objection:
(A) modify the feasibility study report or explain in writing why the feasibility consultant is not modifying the feasibility study report; and
(B) deliver the modified feasibility study report or written explanation to the withdrawing municipality and first responder local district.

(12) Within seven days after the expiration of the deadline under Subsection (11)(b)(i) for submitting an objection or, if an objection is submitted under Subsection (11)(b)(i), following the withdrawing municipality's receipt of the modified feasibility study report or written explanation under Subsection (11)(b)(v), but at least 30 days before a public hearing under Subsection (14), the withdrawing municipality shall:
(a) make a copy of the report available to the public at the primary office of the withdrawing municipality; and
(b) if the withdrawing municipality has a website, post a copy of the report on the municipality's website.

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

(14)
(a) Following the expiration of the deadline under Subsection (11)(b)(i) for submitting an objection, or, if an objection is submitted under Subsection (11)(b)(i), following the withdrawing municipality's receipt of the modified feasibility study report or written explanation under Subsection (11)(b)(v), the legislative body of the withdrawing municipality shall, at the legislative body's next regular meeting, schedule at least one public hearing to be held:
(i) within the following 60 days; and
(ii) for the purpose of allowing:
(A) the feasibility consultant to present the results of the feasibility study; and
(B) the public to become informed about the feasibility study results, to ask the feasibility consultant questions about the feasibility study, and to express the public's views about the proposed withdrawal.

(b) At a public hearing under Subsection (14)(a), the legislative body of the withdrawing municipality shall:
   (i) provide a copy of the feasibility study for public review; and
   (ii) allow the public to:
       (A) ask the feasibility consultant questions about the feasibility study; and
       (B) express the public's views about the withdrawing municipality's proposed withdrawal from the first responder district.

(15)
(a) The clerk or recorder of the withdrawing municipality shall publish notice of a hearing under Subsection (14):
   (i) at least once a week for three successive weeks in a newspaper of general circulation within the withdrawing municipality, with the last publication occurring no less than three days before the first public hearing held under Subsection (14); and
   (ii) on the Utah Public Notice Website created in Section 63F-1-701, for three consecutive weeks immediately before the public hearing.

(b) A notice under Subsection (15)(a) shall state:
   (i) the date, time, and location of the public hearing; and
   (ii) that a copy of the feasibility study report may be obtained, free of charge, at the office of the withdrawing municipality or on the withdrawing municipality's website.

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

Enacted by Chapter 404, 2017 General Session

17B-1-506 Withdrawal petition requirements.
(1) Each petition under Section 17B-1-504 shall:
   (a) indicate the typed or printed name and current address of each owner of acre-feet of water, property owner, registered voter, or authorized representative of the governing body signing the petition;
   (b) separately group signatures by municipality and, in the case of unincorporated areas, by county;
   (c) if it is a petition signed by the owners of land, the assessment of which is based on acre-feet of water, indicate the address of the property and the property tax identification parcel number of the property as to which the owner is signing the request;
   (d) designate up to three signers of the petition as sponsors, or in the case of a petition filed under Subsection 17B-1-504(1)(a)(iv), designate a governmental representative as a sponsor, and in each case, designate one sponsor as the contact sponsor with the mailing address and telephone number of each;
   (e) state the reasons for withdrawal; and
   (f) when the petition is filed with the local district board of trustees, be accompanied by a map generally depicting the boundaries of the area proposed to be withdrawn and a legal description of the area proposed to be withdrawn.

(2)
(a) The local district may prepare an itemized list of expenses, other than attorney expenses, that will necessarily be incurred by the local district in the withdrawal proceeding. The itemized list of expenses may be submitted to the contact sponsor. If the list of expenses is submitted to the contact sponsor within 21 days after receipt of the petition, the contact sponsor on behalf of the petitioners shall be required to pay the expenses to the local district within 90 days of receipt. Until funds to cover the expenses are delivered to the local district, the district will have no obligation to proceed with the withdrawal and the time limits on the district stated in this part will be tolled. If the expenses are not paid within the 90 days, or within 90 days from the conclusion of any arbitration under Subsection (2)(b), the petition requesting the withdrawal shall be considered to have been withdrawn.

(b) If there is no agreement between the board of trustees of the local district and the contact sponsor on the amount of expenses that will necessarily be incurred by the local district in the withdrawal proceeding, either the board of trustees or the contact sponsor may submit the matter to binding arbitration in accordance with Title 78B, Chapter 6, Part 2, Alternative Dispute Resolution Act; provided that, if the parties cannot agree upon an arbitrator and the rules and procedures that will control the arbitration, either party may pursue arbitration under Title 78B, Chapter 11, Utah Uniform Arbitration Act.

(3) A signer of a petition may withdraw or, once withdrawn, reinstate the signer's signature at any time before the public hearing under Section 17B-1-508 by submitting a written withdrawal or reinstatement with the board of trustees of the local district in which the area proposed to be withdrawn is located.

(4) If it reasonably appears that, if the withdrawal which is the subject of a petition filed under Subsection 17B-1-504(1)(a)(i) or (ii) is granted, it will be necessary for a municipality to provide to the withdrawn area the service previously supplied by the local district, the board of trustees of the local district may, within 21 days after receiving the petition, notify the contact sponsor in writing that, before it will be considered by the board of trustees, the petition shall be presented to and approved by the governing body of the municipality as provided in Subsection 17B-1-504(1)(a)(iv) before it will be considered by the local district board of trustees. If the notice is timely given to the contact sponsor, the petition shall be considered to have been withdrawn until the municipality files a petition with the local district under Subsection 17B-1-504(1)(a)(iv).

(5) (a) After receiving the notice required by Subsection 17B-1-504(2), unless specifically allowed by law, a public entity may not make expenditures from public funds to support or oppose the gathering of signatures on a petition for withdrawal.

(b) Nothing in this section prohibits a public entity from providing factual information and analysis regarding a withdrawal petition to the public, so long as the information grants equal access to both the opponents and proponents of the petition for withdrawal.

(c) Nothing in this section prohibits a public official from speaking, campaigning, contributing personal money, or otherwise exercising the public official's constitutional rights.

Amended by Chapter 297, 2011 General Session

17B-1-507 Withdrawal petition certification -- Amended petition.

(1) Within 30 days after the filing of a petition under Sections 17B-1-504 and 17B-1-506, the board of trustees of the local district in which the area proposed to be withdrawn is located shall:
(a) with the assistance of officers of the county in which the area proposed to be withdrawn is located, determine whether the petition meets the requirements of Sections 17B-1-504 and 17B-1-506; and

(b)

(i) if the petition complies with the requirements set forth in Sections 17B-1-504 and 17B-1-506, certify the petition and mail or deliver written notification of the certification to the contact sponsor; or

(ii) if the petition fails to comply with any of the requirements set forth in Sections 17B-1-504 and 17B-1-506, reject the petition as insufficient and mail or deliver written notification of the rejection and the reasons for the rejection to the contact sponsor.

(2)

(a) If the board rejects the petition under Subsection (1)(b)(ii), the petition may be amended to correct the deficiencies for which it was rejected and then refiled within 60 days after notice of the rejection.

(b) A valid signature on a petition that was rejected under Subsection (1)(b)(ii) may be used toward fulfilling the applicable signature requirement for an amended petition refiled under Subsection (2)(a).

(3) The board of trustees shall process an amended petition refiled under Subsection (2)(a) in the same manner as an original petition under Subsection (1). If an amended petition is rejected for failure to comply with the requirements of Sections 17B-1-504 and 17B-1-506, the board of trustees shall issue a final rejection of the petition for insufficiency and mail or deliver written notice of the final rejection to the contact sponsor.

(4)

(a) A signer of a petition for which there has been a final rejection under Subsection (3) for insufficiency may seek judicial review of the board of trustees’ final decision to reject the petition as insufficient.

(b) Judicial review under Subsection (4)(a) shall be initiated by filing an action in state district court in the county in which a majority of the area proposed to be withdrawn is located.

(c) The court in which an action is filed under this Subsection (4) may not overturn the board of trustees’ decision to reject the petition unless the court finds that:

(i) the board of trustees’ decision was arbitrary or capricious; or

(ii) the petition materially complies with the requirements set forth in Sections 17B-1-504 and 17B-1-506.

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

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-508 Public hearing -- Quorum of board required to be present.

(1) A public hearing on the proposed withdrawal shall be held by the board of trustees of a local district that:

(a) certifies a petition under Subsection 17B-1-507(1)(b)(i) unless the petition was signed by all of the owners of private land within the area proposed to be withdrawn or all of the registered voters residing within the area proposed to be withdrawn; or

(b) adopts a resolution under Subsection 17B-1-504(1)(a)(iii) unless another local district provides to the area proposed to be withdrawn the same retail or wholesale service as provided by the local district that adopted the resolution.
(2) The public hearing required by Subsection (1) for a petition certified by the board of trustees of a local district under Subsection 17B-1-507(1)(b)(i), other than a petition filed in accordance with Subsection 17B-1-504(1)(a)(iv), may be held as an agenda item of a meeting of the board of trustees of the local district without complying with the requirements of Subsection (3)(b), (3)(c), or Section 17B-1-509.

(3) Except as provided in Subsection (2), the public hearing required by Subsection (1) shall be held:
   (a) no later than 90 days after:
      (i) certification of the petition under Subsection 17B-1-507(1)(b)(i); or
      (ii) adoption of a resolution under Subsection 17B-1-504(1)(a)(iii);
   (b) for a local district located entirely within a single county:
      (A) within or as close as practicable to the area proposed to be withdrawn; or
      (B) at the local district office; or
   (ii) for a local district located in more than one county:
      (A) within the county in which the area proposed to be withdrawn is located; and
      (B) if the local district office is reasonably accessible to all residents within the area proposed to be annexed, at the local district office; and
   (c) on a weekday evening other than a holiday beginning no earlier than 6:00 p.m.; and
   (d) for the purpose of allowing:
      (i) the public to ask questions and obtain further information about the proposed withdrawal and issues raised by it; and
      (ii) any interested person to address the board of trustees concerning the proposed withdrawal.

(4) A quorum of the board of trustees of the local district shall be present throughout the public hearing provided for under this section.

(5) A public hearing under this section may be postponed or continued to a new time, date, and place without further notice by a resolution of the board of trustees adopted at the public hearing held at the time, date, and place specified in the published notice; provided, however, that the public hearing may not be postponed or continued to a date later than 15 days after the 90-day period under Subsection (3).

Amended by Chapter 436, 2015 General Session

17B-1-509 Notice of hearing and withdrawal.
(1) Unless it is held as an agenda item of a meeting of the board of trustees of a local district as allowed by Subsection 17B-1-508(2), before holding a public hearing under Section 17B-1-508, the board of trustees of the local district shall:
   (a) mail notice of the public hearing and of the proposed withdrawal to:
      (i) if the local district is funded predominantly by revenues from a property tax, each owner of private real property located within the area proposed to be withdrawn, as shown upon the county assessment roll last equalized as of the previous December 31;
      (ii) if the local district is funded by fees based upon an allotment of acre-feet of water, each owner of private real property with an allotment of water located within the area proposed to be withdrawn, as shown upon the district's records; or
      (iii) if the local district is not funded predominantly by revenues from a property tax or fees based upon an allotment of acre-feet of water, each registered voter residing within the area
proposed to be withdrawn, as determined by the voter registration list maintained by the county clerk as of a date selected by the board of trustees that is at least 20 but not more than 60 days before the public hearing; and
(b) post notice of the public hearing and of the proposed withdrawal in at least four conspicuous places within the area proposed to be withdrawn, no less than five nor more than 30 days before the public hearing.

(2) Each notice required under Subsection (1) shall:
(a) describe the area proposed to be withdrawn;
(b) identify the local district in which the area proposed to be withdrawn is located;
(c) state the date, time, and location of the public hearing;
(d) state that the petition or resolution may be examined during specified times and at a specified place in the local district; and
(e) state that any person interested in presenting comments or other information for or against the petition or resolution may:
(i) prior to the hearing, submit relevant comments and other information in writing to the board of trustees at a specified address in the local district; or
(ii) at the hearing, present relevant comments and other information in writing and may also present comments and information orally.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-510 Resolution approving or rejecting withdrawal -- Criteria for approval or rejection -- Terms and conditions.

(1) (a) No later than 90 days after the public hearing under Section 17B-1-508, or, if no hearing is held, within 90 days after the filing of a petition under Section 17B-1-504, the board of trustees of the local district in which the area proposed to be withdrawn is located shall adopt a resolution:
(i) approving the withdrawal of some or all of the area from the local district; or
(ii) rejecting the withdrawal.
(b) Each resolution approving a withdrawal shall:
(i) include a legal description of the area proposed to be withdrawn;
(ii) state the effective date of the withdrawal; and
(iii) set forth the terms and conditions under Subsection (5), if any, of the withdrawal.
(c) Each resolution rejecting a withdrawal shall include a detailed explanation of the board of trustees' reasons for the rejection.

(2) Unless denial of the petition is required under Subsection (3), the board of trustees shall adopt a resolution approving the withdrawal of some or all of the area from the local district if the board of trustees determines that:
(a) the area to be withdrawn does not and will not require the service that the local district provides;
(b) the local district will not be able to provide service to the area to be withdrawn for the reasonably foreseeable future; or
(c) the area to be withdrawn has obtained the same service that is provided by the local district or a commitment to provide the same service that is provided by the local district from another source.

(3) The board of trustees shall adopt a resolution denying the withdrawal if it determines that the proposed withdrawal would:
(a) result in a breach or default by the local district under:
   (i) any of its notes, bonds, or other debt or revenue obligations;
   (ii) any of its agreements with entities which have insured, guaranteed, or otherwise credit-
        enhanced any debt or revenue obligations of the local district; or
   (iii) any of its agreements with the United States or any agency of the United States; provided,
        however, that, if the local district has entered into an agreement with the United States that
        requires the consent of the United States for a withdrawal of territory from the district, a
        withdrawal under this part may occur if the written consent of the United States is obtained
        and filed with the board of trustees;
(b) adversely affect the ability of the local district to make any payments or perform any other
    material obligations under:
    (i) any of its agreements with the United States or any agency of the United States;
    (ii) any of its notes, bonds, or other debt or revenue obligations; or
    (iii) any of its agreements with entities which have insured, guaranteed, or otherwise credit-
        enhanced any debt or revenue obligations of the local district;
(c) result in the reduction or withdrawal of any rating on an outstanding note, bond, or other debt
    or revenue obligation of the local district;
(d) create an island or peninsula of nondistrict territory within the local district or of district territory
    within nondistrict territory that has a material adverse affect on the local district's ability to
    provide service or materially increases the cost of providing service to the remainder of the
    local district;
(e) materially impair the operations of the remaining local district; or
(f) require the local district to materially increase the fees it charges or property taxes or other
    taxes it levies in order to provide to the remainder of the district the same level and quality of
    service that was provided before the withdrawal.

(4) In determining whether the withdrawal would have any of the results described in Subsection
    (3), the board of trustees may consider the cumulative impact that multiple withdrawals over a
    specified period of time would have on the local district.

(5)
(a) Despite the presence of one or more of the conditions listed in Subsection (3), the board of
    trustees may approve a resolution withdrawing an area from the local district imposing terms
    or conditions that mitigate or eliminate the conditions listed in Subsection (3), including:
    (i) a requirement that the owners of property located within the area proposed to be withdrawn
        or residents within that area pay their proportionate share of any outstanding district bond or
        other obligation as determined pursuant to Subsection (5)(b);
    (ii) a requirement that the owners of property located within the area proposed to be withdrawn
        or residents within that area make one or more payments in lieu of taxes, fees, or
        assessments;
    (iii) a requirement that the board of trustees and the receiving entity agree to reasonable
        payment and other terms in accordance with Subsections (5)(f) through (g) regarding the
        transfer to the receiving entity of district assets that the district used before withdrawal
        to provide service to the withdrawn area but no longer needs because of the withdrawal;
        provided that, if those district assets are allocated in accordance with Subsections (5)(f)
        through (g), the district shall immediately transfer to the receiving entity on the effective
        date of the withdrawal, all title to and possession of district assets allocated to the receiving
        entity; or
    (iv) any other reasonable requirement considered to be necessary by the board of trustees.
(b) Other than as provided for in Subsection 17B-1-511(2), and except as provided in Subsection 
(5)(e), in determining the proportionate share of outstanding bonded indebtedness or other 
obligations under Subsection (5)(a)(i) and for purposes of determining the allocation and 
transfer of district assets under Subsection (5)(a)(iii), the board of trustees and the receiving 
entity, or in cases where there is no receiving entity, the board and the sponsors of the 
petition shall:

(i) engage engineering and accounting consultants chosen by the procedure provided in 
Subsection (5)(d); provided however, that if the withdrawn area is not receiving service, an 
engineering consultant need not be engaged; and 

(ii) require the engineering and accounting consultants engaged under Subsection (5)(b)(i) 
to communicate in writing to the board of trustees and the receiving entity, or in cases 
where there is no receiving entity, the board and the sponsors of the petition the information 
required by Subsections (5)(f) through (h).

(c) For purposes of this Subsection (5):

(i) "accounting consultant" means a certified public accountant or a firm of certified public 
accountants with the expertise necessary to make the determinations required under 
Subsection (5)(h); and 

(ii) "engineering consultant" means a person or firm that has the expertise in the engineering 
aspects of the type of system by which the withdrawn area is receiving service that is 
necessary to make the determination required under Subsections (5)(f) and (g).

(d)

(i) Unless the board of trustees and the receiving entity, or in cases where there is no receiving 
entity, the board and the sponsors of the petition agree on an engineering consultant and an 
accounting consultant, each consultant shall be chosen from a list of consultants provided 
by the Consulting Engineers Council of Utah and the Utah Association of Certified Public 
Accountants, respectively, as provided in this Subsection (5)(d).

(ii) A list under Subsection (5)(d)(i) may not include a consultant who has had a contract for 
services with the district or the receiving entity during the two-year period immediately 
before the list is provided to the local district.

(iii) Within 20 days of receiving the lists described in Subsection (5)(d)(i), the board of trustees 
shall eliminate the name of one engineering consultant from the list of engineering 
consultants and the name of one accounting consultant from the list of accounting 
consultants and shall notify the receiving entity, or in cases where there is no receiving 
entity, the sponsors of the petition in writing of the eliminations.

(iv) Within three days of receiving notification under Subsection (5)(d), the receiving entity, or in 
cases where there is no receiving entity, the sponsors of the petition shall eliminate another 
name of an engineering consultant from the list of engineering consultants and another 
name of an accounting consultant from the list of accounting consultants and shall notify the 
board of trustees in writing of the eliminations.

(v) The board of trustees and the receiving entity, or in cases where there is no receiving entity, 
the board and the sponsors of the petition shall continue to alternate between them, each 
eliminates the name of one engineering consultant from the list of engineering consultants 
and the name of one accounting consultant from the list of accounting consultants and 
providing written notification of the eliminations within three days of receiving notification of 
the previous notification, until the name of only one engineering consultant remains on the 
list of engineering consultants and the name of only one accounting consultant remains on 
the list of accounting consultants.
(e) The requirement under Subsection (5)(b) to engage engineering and accounting consultants does not apply if the board of trustees and the receiving entity, or in cases where there is no receiving entity, the board and the sponsors of the petition agree on the allocations that are the engineering consultant's responsibility under Subsection (5)(f) or the determinations that are the accounting consultant's responsibility under Subsection (5)(h); provided however, that if engineering and accounting consultants are engaged, the district and the receiving entity, or in cases where there is no receiving entity, the district and the sponsors of the petition shall equally share the cost of the engineering and accounting consultants.

(f)  
(i) The engineering consultant shall allocate the district assets between the district and the receiving entity as provided in this Subsection (5)(f).

(ii) The engineering consultant shall allocate:
(A) to the district those assets reasonably needed by the district to provide to the area of the district remaining after withdrawal the kind, level, and quality of service that was provided before withdrawal; and
(B) to the receiving entity those assets reasonably needed by the receiving entity to provide to the withdrawn area the kind and quality of service that was provided before withdrawal.

(iii) If the engineering consultant determines that both the local district and the receiving entity reasonably need a district asset to provide to their respective areas the kind and quality of service provided before withdrawal, the engineering consultant shall:
(A) allocate the asset between the local district and the receiving entity according to their relative needs, if the asset is reasonably susceptible of division; or
(B) allocate the asset to the local district, if the asset is not reasonably susceptible of division.

(g) All district assets remaining after application of Subsection (5)(f) shall be allocated to the local district.

(h)  
(i) The accounting consultant shall determine the withdrawn area's proportionate share of any redemption premium and the principal of and interest on:
(A) the local district's revenue bonds that were outstanding at the time the petition was filed;
(B) the local district's general obligation bonds that were outstanding at the time the petition was filed; and
(C) the local district's general obligation bonds that:
   (I) were outstanding at the time the petition was filed; and
   (II) are treated as revenue bonds under Subsection (5)(i); and
(D) the district's bonds that were issued prior to the date the petition was filed to refund the district's revenue bonds, general obligation bonds, or general obligation bonds treated as revenue bonds.

(ii) For purposes of Subsection (5)(h)(i), the withdrawn area's proportionate share of redemption premium, principal, and interest shall be the amount that bears the same relationship to the total redemption premium, principal, and interest for the entire district that the average annual gross revenues from the withdrawn area during the three most recent complete fiscal years before the filing of the petition bears to the average annual gross revenues from the entire district for the same period.

(i) For purposes of Subsection (5)(h)(i), a district general obligation bond shall be treated as a revenue bond if:
   (i) the bond is outstanding on the date the petition was filed; and
   (ii) the principal of and interest on the bond, as of the date the petition was filed, had been paid entirely from local district revenues and not from a levy of ad valorem tax.
(j) Before the board of trustees of the local district files a resolution approving a withdrawal, the receiving entity, or in cases where there is no receiving entity, the sponsors of the petition shall irrevocably deposit government obligations, as defined in Subsection 11-27-2(6), into an escrow trust fund the principal of and interest on which are sufficient to provide for the timely payment of the amount determined by the accounting consultant under Subsection (5)(h) or in an amount mutually agreeable to the board of trustees of the local district and the receiving entity, or in cases where there is no receiving entity, the board and the sponsors of the petition. Notwithstanding Subsection 17B-1-512(1), the board of trustees may not be required to file a resolution approving a withdrawal until the requirements for establishing and funding an escrow trust fund in this Subsection (5)(j)(i) have been met; provided that, if the escrow trust fund has not been established and funded within 180 days after the board of trustees passes a resolution approving a withdrawal, the resolution approving the withdrawal shall be void.

(ii) Concurrently with the creation of the escrow, the receiving entity, or in cases where there is no receiving entity, the sponsors of the petition shall provide to the board of trustees of the local district:

(A) a written opinion of an attorney experienced in the tax-exempt status of municipal bonds stating that the establishment and use of the escrow to pay the proportionate share of the district's outstanding revenue bonds and general obligation bonds that are treated as revenue bonds will not adversely affect the tax-exempt status of the bonds; and

(B) a written opinion of an independent certified public accountant verifying that the principal of and interest on the deposited government obligations are sufficient to provide for the payment of the withdrawn area's proportionate share of the bonds as provided in Subsection (5)(h).

(iii) The receiving entity, or in cases where there is no receiving entity, the sponsors of the petition shall bear all expenses of the escrow and the redemption of the bonds.

(iv) The receiving entity may issue bonds under Title 11, Chapter 14, Local Government Bonding Act, and Title 11, Chapter 27, Utah Refunding Bond Act, to fund the escrow.

(6) A requirement imposed by the board of trustees as a condition to withdrawal under Subsection (5) shall, in addition to being expressed in the resolution, be reduced to a duly authorized and executed written agreement between the parties to the withdrawal.

(7) An area that is the subject of a withdrawal petition under Section 17B-1-504 that results in a board of trustees resolution denying the proposed withdrawal may not be the subject of another withdrawal petition under Section 17B-1-504 for two years after the date of the board of trustees resolution denying the withdrawal.

Amended by Chapter 436, 2015 General Session

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

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

(a) for the purpose of paying the withdrawn area's just proportion of the local district's general obligation bonds or lease obligations payable from property taxes with respect to lease revenue bonds issued by a local building authority on behalf of the local district, other than
those bonds treated as revenue bonds under Subsection 17B-1-510(5)(i), until the bonded indebtedness has been satisfied; and
(b) to the extent and for the years necessary to generate sufficient revenue that, when combined with the revenues from the district remaining after withdrawal, is sufficient to provide for the payment of principal and interest on the district's general obligation bonds that are treated as revenue bonds under Subsection 17B-1-510(5)(i).

(2) For a local district funded predominately by revenues other than property taxes, service charges, or assessments based upon an allotment of acre-feet of water, property within the withdrawn area shall continue to be taxable by the local district for purposes of paying the withdrawn area's proportionate share of bonded indebtedness or judgments against the local district incurred prior to the date the petition was filed.

(3) Except as provided in Subsections (1) and (2), upon withdrawal, the withdrawing area is relieved of all other taxes, assessments, and charges levied by the district, including taxes and charges for the payment of revenue bonds and maintenance and operation cost of the local district.

Amended by Chapter 377, 2014 General Session

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

(1)  
(a) Within the time specified in Subsection (1)(b), the board of trustees shall file with the lieutenant governor:
   (i) a copy of a notice of an impending boundary action, as defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and
   (ii) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5.
(b) The board of trustees shall file the documents listed in Subsection (1)(a):
   (i) within 10 days after adopting a resolution approving a withdrawal under Section 17B-1-510;
   (ii) on or before January 31 of the year following the board of trustees' receipt of a notice or copy described in Subsection (1)(c), if the board of trustees receives the notice or copy between July 1 and December 31; or
   (iii) on or before the July 31 following the board of trustees' receipt of a notice or copy described in Subsection (1)(c), if the board of trustees receives the notice or copy between January 1 and June 30.
(c) The board of trustees shall comply with the requirements described in Subsection (1)(b)(ii) or (iii) after:
   (i) receiving:
      (A) a notice under Subsection 10-2-425(2) of an automatic withdrawal under Subsection 17B-1-502(2);
      (B) a copy of the municipal legislative body's resolution approving an automatic withdrawal under Subsection 17B-1-502(3)(a); or
      (C) notice of a withdrawal of a municipality from a local district under Section 17B-1-502; or
   (ii) entering into an agreement with a municipality under Subsection 17B-1-505(5)(a)(ii)(A) or (5)(b).
(d) Upon the lieutenant governor's issuance of a certificate of withdrawal under Section 67-1a-6.5, the board shall:
   (i) if the withdrawn area is located within the boundary of a single county, submit to the recorder of that county:
(A) the original:
(I) notice of an impending boundary action;
(II) certificate of withdrawal; and
(III) approved final local entity plat; and
(B) if applicable, a certified copy of the resolution or notice referred to in Subsection (1)(b); or
(ii) if the withdrawn area is located within the boundaries of more than a single county, submit:
(A) the original of the documents listed in Subsections (1)(d)(i)(A)(I), (II), and (III) and, if
applicable, a certified copy of the resolution or notice referred to in Subsection (1)(b) to
one of those counties; and
(B) a certified copy of the documents listed in Subsections (1)(d)(i)(A)(I), (II), and (III) and
a certified copy of the resolution or notice referred to in Subsection (1)(b) to each other
county.

(2)
(a) Upon the lieutenant governor’s issuance of the certificate of withdrawal under Section
67-1a-6.5 for a withdrawal under Section 17B-1-510, for an automatic withdrawal under
Subsection 17B-1-502(3), or for the withdrawal of a municipality from a local district under
Section 17B-1-505, the withdrawal shall be effective, subject to the conditions of the
withdrawal resolution, if applicable.
(b) An automatic withdrawal under Subsection 17B-1-502(3) shall be effective upon the
lieutenant governor’s issuance of a certificate of withdrawal under Section 67-1a-6.5.

(3)
(a) The local district may provide for the publication of any resolution approving or denying the
withdrawal of an area:
(i) in a newspaper of general circulation in the area proposed for withdrawal; and
(ii) as required in Section 45-1-101.
(b) In lieu of publishing the entire resolution, the local district may publish a notice of withdrawal
or denial of withdrawal, containing:
(i) the name of the local district;
(ii) a description of the area proposed for withdrawal;
(iii) a brief explanation of the grounds on which the board of trustees determined to approve or
deny the withdrawal; and
(iv) the times and place where a copy of the resolution may be examined, which shall be at the
place of business of the local district, identified in the notice, during regular business hours
of the local district as described in the notice and for a period of at least 30 days after the
publication of the notice.

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

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

(6)
(a) Any person in interest may seek judicial review of:
(i) the board of trustees’ decision to withdraw an area from the local district;
(ii) the terms and conditions of a withdrawal; or
(iii) the board’s decision to deny a withdrawal.
(b) Judicial review under this Subsection (6) shall be initiated by filing an action in the district court in the county in which a majority of the area proposed to be withdrawn is located:
   (i) if the resolution approving or denying the withdrawal is published under Subsection (3), within 60 days after the publication or after the board of trustees' denial of the request under Subsection (5);
   (ii) if the resolution is not published pursuant to Subsection (3), within 60 days after the resolution approving or denying the withdrawal is adopted; or
   (iii) if a request is submitted to the board of trustees of a local district under Subsection (4), and the board adopts a resolution under Subsection (5), within 60 days after the board adopts a resolution under Subsection (5) unless the resolution is published under Subsection (3), in which event the action shall be filed within 60 days after the publication.
(c) A court in which an action is filed under this Subsection (6) may not overturn, in whole or in part, the board of trustees’ decision to approve or reject the withdrawal unless:
   (i) the court finds the board of trustees’ decision to be arbitrary or capricious; or
   (ii) the court finds that the board materially failed to follow the procedures set forth in this part.
(d) A court may award costs and expenses of an action under this section, including reasonable attorney fees, to the prevailing party.
(7) After the applicable contest period under Subsection (4) or (6), no person may contest the board of trustees’ approval or denial of withdrawal for any cause.

Amended by Chapter 404, 2017 General Session

17B-1-513 Termination of terms of trustees representing withdrawn areas.
(1) Except as provided in Subsection (4), on the effective date of withdrawal of an area from a local district, any trustee residing in the withdrawn area shall cease to be a member of the board of trustees of the local district.
(2) Except as provided in Subsection (4), if the local district has been divided into divisions for the purpose of electing or appointing trustees and the area withdrawn from a district constitutes all or substantially all of the area in a division of the local district that is represented by a member of the board of trustees, on the effective date of the withdrawal, the trustee representing the division shall cease to be a member of the board of trustees of the local district.
(3) In the event of a vacancy on the board of trustees as a result of an area being withdrawn from the local district:
   (a) the board of trustees shall reduce the number of trustees of the local district as provided by law; or
   (b) the trustee vacancy shall be filled as provided by law.
(4) Subsections (1) and (2) apply only to a trustee who is required by law to be a resident of the local district or of a particular division within the local district.

Amended by Chapter 140, 2016 General Session

Part 6
Fiscal Procedures for Local Districts

17B-1-601 Definitions.
As used in this part:

(1) "Appropriation" means an allocation of money by the board of trustees for a specific purpose.
(2) "Budget" means a plan of financial operations for a fiscal year which embodies estimates of proposed expenditures for given purposes and the proposed means of financing them, and may refer to the budget of a particular fund for which a budget is required by law or it may refer collectively to the budgets for all such funds.
(3) "Budget officer" means the person appointed by the local district board of trustees to prepare the budget for the district.
(4) "Budget year" means the fiscal year for which a budget is prepared.
(5) "Calendar year entity" means a local district whose fiscal year begins January 1 and ends December 31 of each calendar year as described in Section 17B-1-602.
(6) "Current year" means the fiscal year next preceding the budget year.
(7) "Deficit" has the meaning given under generally accepted accounting principles as reflected in the Uniform Accounting Manual for Local Districts.
(8) "Estimated revenue" means the amount of revenue estimated to be received from all sources during the budget year in each fund for which a budget is being prepared.
(9) "Financial officer" means the official under Section 17B-1-642.
(10) "Fiscal year" means the annual period for accounting for fiscal operations in each district.
(11) "Fiscal year entity" means a local district whose fiscal year begins July 1 of each year and ends on June 30 of the following year as described in Section 17B-1-602.
(12) "Fund" has the meaning given under generally accepted accounting principles as reflected in the Uniform Accounting Manual for Local Districts.
(13) "Fund balance" has the meaning given under generally accepted accounting principles as reflected in the Uniform Accounting Manual for Local Districts.
(14) "General fund" is as defined by the Governmental Accounting Standards Board as reflected in the Uniform Accounting Manual for All Local Governments prepared by the Office of the Utah State Auditor.
(15) "Governmental funds" means the general fund, special revenue fund, debt service fund, and capital projects fund of a local district.
(16) "Interfund loan" means a loan of cash from one fund to another, subject to future repayment.
(17) "Last completed fiscal year" means the fiscal year next preceding the current fiscal year.
(18) "Local district general fund" means the general fund used by a local district.
(19) "Proprietary funds" means enterprise funds and the internal service funds of a local district.
(20) "Public funds" means any money or payment collected or received by an officer or employee of a local district acting in an official capacity and includes money or payment to the officer or employee for services or goods provided by the district, or the officer or employee while acting within the scope of employment or duty.
(21) "Retained earnings" has the meaning given under generally accepted accounting principles as reflected in the Uniform Accounting Manual for Local Districts.
(22) "Special fund" means any local district fund other than the local district's general fund.

Amended by Chapter 253, 2014 General Session

17B-1-602 Fiscal year.

The fiscal year of each local district shall be, as determined by the board of trustees:

(1) the calendar year; or
(2) the period from July 1 to the following June 30.
17B-1-603 Uniform accounting system.
The accounting records of each local district shall be established and maintained, and financial statements prepared from those records, in conformance with generally accepted accounting principles promulgated from time to time by authoritative bodies in the United States.

17B-1-604 Funds and account groups maintained.
Each district shall maintain, according to its own accounting needs, some or all of the funds and account groups in its system of accounts, as prescribed in the Uniform Accounting Manual for Local Districts.

17B-1-605 Budget required for certain funds -- Capital projects fund.
(1) The budget officer of each local district shall prepare for each budget year a budget for each of the following funds:
   (a) the General Fund;
   (b) special revenue funds;
   (c) debt service funds;
   (d) capital projects funds;
   (e) proprietary funds, in accordance with Section 17B-1-629;
   (f) if the local district has a local fund, as defined in Section 53-2a-602, the local fund; and
   (g) any other fund or funds for which a budget is required by the uniform system of budgeting, accounting, and reporting.

   (2)
   (a) Major capital improvements financed by general obligation bonds, capital grants, or interfund transfers shall use a capital projects fund budget unless the improvements financed are to be used for proprietary type activities.
   (b) The local district shall prepare a separate budget for the term of the projects as well as the annual budget required under Subsection (1).

17B-1-606 Total of revenues to equal expenditures.
(1) The budget for each fund under Section 17B-1-605 shall provide a financial plan for the budget year.
(2) Each budget shall specify in tabular form:
   (a) estimates of all anticipated revenues, classified by the account titles prescribed in the Uniform Accounting Manual for Local Districts; and
   (b) all appropriations for expenditures, classified by the account titles prescribed in the Uniform Accounting Manual for Local Districts.
(3) The total of the anticipated revenues shall equal the total of appropriated expenditures.
17B-1-607 Tentative budget to be prepared -- Review by governing body.
(1) On or before the first regularly scheduled meeting of the board of trustees in November for a calendar year entity and May for a fiscal year entity, the budget officer of each local district shall prepare for the ensuing year, in a format prescribed by the state auditor, and file with the board of trustees a tentative budget for each fund for which a budget is required.

(2) (a) Each tentative budget under Subsection (1) shall provide in tabular form:
   (i) actual revenues and expenditures for the last completed fiscal year;
   (ii) estimated total revenues and expenditures for the current fiscal year; and
   (iii) the budget officer's estimates of revenues and expenditures for the budget year.

   (b) The budget officer shall estimate the amount of revenue available to serve the needs of each fund, estimate the portion to be derived from all sources other than general property taxes, and estimate the portion that shall be derived from general property taxes.

(3) The tentative budget, when filed by the budget officer with the board of trustees, shall contain the estimates of expenditures together with specific work programs and any other supporting data required by this part or requested by the board.

(4) The board of trustees shall review, consider, and tentatively adopt the tentative budget in any regular meeting or special meeting called for that purpose and may amend or revise the tentative budget in any manner that the board considers advisable prior to public hearings, but no appropriation required for debt retirement and interest or reduction of any existing deficits under Section 17B-1-613, or otherwise required by law, may be reduced below the minimums so required.

(5) When a new district is created, the board of trustees shall:
   (a) prepare a budget covering the period from the date of incorporation to the end of the fiscal year;
   (b) substantially comply with all other provisions of this part with respect to notices and hearings; and
   (c) pass the budget as soon after incorporation as feasible.

Amended by Chapter 436, 2015 General Session

17B-1-608 Tentative budget and data -- Public records.

The tentative budget adopted by the board of trustees and all supporting schedules and data are public records, and are available for public inspection for a period of at least seven days prior to the adoption of a final budget.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-609 Hearing to consider adoption -- Notice.
(1) At the meeting at which the tentative budget is adopted, the board of trustees shall:
   (a) establish the time and place of a public hearing to consider its adoption; and
   (b) except as provided in Subsection (6), order that notice of the hearing:
      (i) (A) be published at least seven days before the hearing in at least one issue of a newspaper of general circulation in the county or counties in which the district is located; or
      (B) if no newspaper is circulated generally in the county or counties, be posted in three public places within the district; and
(ii) be published at least seven days before the hearing on the Utah Public Notice Website created in Section 63F-1-701.

(2) If the budget hearing is held in conjunction with a tax increase hearing, the notice required in Subsection (1)(b):
   (a) may be combined with the notice required under Section 59-2-919; and
   (b) shall be published in accordance with the advertisement provisions of Section 59-2-919.

(3) If the budget hearing is to be held in conjunction with a fee increase hearing, the notice required in Subsection (1)(b):
   (a) may be combined with the notice required under Section 17B-1-643; and
   (b) shall be published or mailed in accordance with the notice provisions of Section 17B-1-643.

(4) Proof that notice was given in accordance with Subsection (1)(b), (2), (3), or (6) is prima facie evidence that notice was properly given.

(5) If a notice required under Subsection (1)(b), (2), (3), or (6) is not challenged within 30 days after the day on which the hearing is held, the notice is adequate and proper.

(6) If a board of trustees of a local district with an annual operating budget of less than $250,000 may satisfy the notice requirements in Subsection (1)(b) by:
   (a) mailing a written notice, postage prepaid, to each voter in the local district; and
   (b) posting the notice in three public places within the district.

Amended by Chapter 436, 2015 General Session

17B-1-610 Public hearing on tentatively adopted budget.

At the time and place advertised, or at any time or any place to which the public hearing may be adjourned, the board of trustees shall:
   (1) hold a public hearing on the budgets tentatively adopted; and
   (2) give all interested persons in attendance an opportunity to be heard on the estimates of revenues and expenditures or any item in the tentative budget of any fund.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-611 Continuing authority of governing body.

After the conclusion of the public hearing, the board of trustees:
   (1) may:
      (a) continue to review the tentative budget;
      (b) insert any new items; or
      (c) increase or decrease items of expenditure that were the proper subject of consideration at the public hearing;
   (2) may not decrease the amount appropriated for debt retirement and interest or reduction of any existing deficits, as provided by Section 17B-1-613; and
   (3) shall increase or decrease the total anticipated revenue to equal the net change in proposed expenditures in the budget of each fund.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-612 Accumulated fund balances -- Limitations -- Excess balances -- Unanticipated excess of revenues -- Reserves for capital projects.

(1)
(a) A local district may accumulate retained earnings or fund balances, as appropriate, in any fund.

(b) For the general fund only, a local district may only use an accumulated fund balance to:
   (i) provide working capital to finance expenditures from the beginning of the budget year until general property taxes or other applicable revenues are collected, subject to Subsection (1)(c);
   (ii) provide a resource to meet emergency expenditures under Section 17B-1-623; and
   (iii) cover a pending year-end excess of expenditures over revenues from an unavoidable shortfall in revenues, subject to Subsection (1)(d).

(c) Subsection (1)(b)(i) does not authorize a local district to appropriate a fund balance for budgeting purposes, except as provided in Subsection (4).

(d) Subsection (1)(b)(iii) does not authorize a local district to appropriate a fund balance to avoid an operating deficit during a budget year except:
   (i) as provided under Subsection (4); or
   (ii) for emergency purposes under Section 17B-1-623.

(2)

(a) Except as provided in Subsection (2)(b), the accumulation of a fund balance in the general fund may not exceed the most recently adopted general fund budget, plus 100% of the current year's property tax.

(b) Notwithstanding Subsection (2)(a), a local district may accumulate in the general fund mineral lease revenue that the local district receives from the United States under the Mineral Lands Leasing Act, 30 U.S.C. Sec. 181 et seq., through a distribution under:
   (i) Title 35A, Chapter 8, Part 3, Community Impact Alleviation; or
   (ii) Title 59, Chapter 21, Mineral Lease Funds.

(3) If the fund balance at the close of any fiscal year exceeds the amount permitted under Subsection (2), the district shall appropriate the excess in accordance with Section 17B-1-613.

(4) A local district may utilize any fund balance in excess of 5% of the total revenues of the general fund for budget purposes.

(5)

(a) Within a capital projects fund, the board of trustees may, in any budget year, appropriate from estimated revenue or fund balance to a reserve for capital projects for the purpose of financing future specific capital projects, including new construction, capital repairs, replacement, and maintenance, under a formal long-range capital plan that the board of trustees adopts.

(b) A local district may allow a reserve amount under Subsection (5)(a) to accumulate from year to year until the accumulated total is sufficient to permit economical expenditure for the specified purposes.

(c) A local district may disburse from a reserve account under Subsection (5)(a) only by a budget appropriation that the local district adopts in accordance with this part.

(d) A local district shall ensure that the expenditures from the appropriation budget accounts described in this Subsection (5) conform to all requirements of this part relating to execution and control of budgets.

Amended by Chapter 37, 2019 General Session

17B-1-613 Appropriations not to exceed estimated expendable revenue -- Appropriations for existing deficits.
(1) The board of trustees of a local district may not make any appropriation in the final budget of any fund in excess of the estimated expendable revenue for the budget year of the fund.
(2) If there is a deficit fund balance in a fund at the close of the last completed fiscal year, the board of trustees of a local district shall include an item of appropriation for the deficit in the current budget of the fund equal to:
(a) at least 5% of the total revenue of the fund in the last completed fiscal year; or
(b) if the deficit is equal to less than 5% of the total revenue of the fund in the last completed fiscal year, the entire amount of the deficit.
(3) The provisions of this section do not require a local district to add revenue to a fund that is used for debt service of a limited obligation, unless the revenue is pledged toward the limited obligation.

Amended by Chapter 353, 2016 General Session

17B-1-614 Adoption of final budget -- Certification and filing.
(1) The board of trustees of each local district shall by resolution adopt a budget for the ensuing fiscal year for each fund for which a budget is required under this part prior to the beginning of the fiscal year, except as provided in Sections 59-2-919 through 59-2-923.
(2) The local district's budget officer shall certify a copy of the final budget for each fund and file it with the state auditor within 30 days after adoption.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-615 Budgets in effect for budget year.
(1) Upon final adoption, each budget shall be in effect for the budget year, subject to amendment as provided in this part.
(2) A certified copy of the adopted budgets shall be filed in the district office and shall be available to the public during regular business hours.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-616 Property tax levy -- Amount in budget as basis for determining.
From the effective date of the budget or of any amendment enacted prior to the date on which property taxes are levied, the amount stated as the amount of estimated revenue from property taxes shall constitute the basis for determining the property tax levy to be set by the board of trustees for the corresponding tax year, subject to the applicable limitations imposed by law.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-617 Fund expenditures -- Budget officer's duties.
(1) The budget officer of each local district shall require all expenditures within each fund to conform with the fund budget.
(2) No appropriation may be encumbered and no expenditure may be made against any fund appropriation unless there is sufficient unencumbered balance in the fund's appropriation, except in cases of emergency as provided in Section 17B-1-623.

Renumbered and Amended by Chapter 329, 2007 General Session
17B-1-618 Purchasing procedures.
All purchases or encumbrances by a local district shall be made or incurred according to the purchasing procedures established by each district by resolution and only on an order or approval of the person or persons duly authorized.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-619 Expenditures or encumbrances in excess of appropriations prohibited -- Processing claims.
(1) A local district may not make or incur expenditures or encumbrances in excess of total appropriations in the budget as adopted or as subsequently amended.
(2) An obligation contracted by any officer in excess of total appropriations in the budget is not enforceable against the district.
(3) No check or warrant to cover a claim against an appropriation may be drawn until the claim has been processed as provided by this part.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-620 Transfer of appropriation balance between accounts in same fund.
(1) The board of trustees of each local district shall establish policies for the transfer of any unencumbered or unexpended appropriation balance or portion of the balance from one account in a fund to another account within the same fund, subject to Subsection (2).
(2) An appropriation for debt retirement and interest, reduction of deficit, or other appropriation required by law or covenant may not be reduced below the minimums required.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-621 Review of individual governmental fund budgets -- Hearing.
(1) The board of trustees of a local district may, at any time during the budget year, review the individual budgets of the governmental funds for the purpose of determining if the total of any of them should be increased.
(2) If the board of trustees decides that the budget total of one or more of these funds should be increased, it shall follow the procedures established in Sections 17B-1-609 and 17B-1-610 for holding a public hearing.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-622 Amendment and increase of individual fund budgets.
(1) After holding the hearing referred to in Section 17B-1-621, the board of trustees may, by resolution, amend the budgets of the funds proposed to be increased, so as to make all or part of the increases, both estimated revenues and appropriations, which were the proper subject of consideration at the hearing.
(2) The board of trustees may not adopt an amendment to the current year budgets of any of the funds established in Section 17B-1-605 after the last day of the fiscal year.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-623 Emergency expenditures.
The board of trustees of a local district may, by resolution, amend a budget and authorize an expenditure of money that results in a deficit in the district’s general fund balance if:

(1) the board determines that:
   (a) an emergency exists; and
   (b) the expenditure is reasonably necessary to meet the emergency; and
(2) the expenditure is used to meet the emergency.

Enacted by Chapter 329, 2007 General Session

17B-1-624 Lapse of appropriations -- Exceptions.
All unexpended or unencumbered appropriations, except capital projects fund appropriations, lapse at the end of the budget year to the respective fund balance.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-625 Transfer of balances in special funds.
If the necessity for maintaining any special fund of a district ceases to exist and a balance remains in the fund, the board of trustees shall authorize the transfer of the balance to the fund balance in the general fund of the district, subject to the following:

(1) Any balance remaining in a special assessment fund and not required in its guaranty fund shall be treated in the manner provided in Sections 11-42-413 and 11-42-701.
(2) Any balance remaining in a capital projects fund shall be transferred to the appropriate debt service fund or other fund as the bond covenants may require and otherwise to the fund balance account in the general fund.
(3) If any balance held in a trust fund for a specific purpose, other than a cemetery perpetual care trust fund, is to be transferred because its original purpose or restriction has ceased to exist, a public hearing shall be held in the manner provided in Sections 17B-1-609 and 17B-1-610. The published notice shall invite those persons who contributed to the fund to appear at the hearing. If the board of trustees determines the fund balance amounts are refundable to the original contributors, a 30-day period following the hearing shall be allowed for persons having an interest in the fund to file with the board of trustees a verified claim only for the amount of each claimant's contributions. Any claim not so filed shall be barred. Any balance remaining, after refunds to eligible contributors, shall be transferred to the fund balance account in the general fund of the district.
(4) If the board of trustees decides, in conformity with applicable laws, that the need for continuing maintenance of its cemetery perpetual care trust fund no longer exists, it may transfer the balance in the fund to the capital projects fund for expenditure for land, buildings, and major improvements to be used exclusively for cemetery purposes.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-626 Loans by one fund to another.
(1) Subject to this section, restrictions imposed by bond covenants, restrictions in Section 53-2a-605, or other controlling regulations, the board of trustees of a local district may authorize an interfund loan from one fund to another.
(2) An interfund loan under Subsection (1) shall be in writing and specify the terms and conditions of the loan, including the:
   (a) effective date of the loan;
(b) name of the fund loaning the money;
(c) name of the fund receiving the money;
(d) amount of the loan;
(e) subject to Subsection (3), term of and repayment schedule for the loan;
(f) subject to Subsection (4), interest rate of the loan;
(g) method of calculating interest applicable to the loan;
(h) procedures for:
   (i) applying interest to the loan; and
   (ii) paying interest on the loan; and
(i) other terms and conditions the board of trustees determines applicable.

(3) The term and repayment schedule specified under Subsection (2)(e) may not exceed 10 years.

(4)
(a) In determining the interest rate of the loan specified under Subsection (2)(f), the board of trustees shall apply an interest rate that reflects the rate of potential gain had the funds been deposited or invested in a comparable investment.
(b) Notwithstanding Subsection (4)(a), the interest rate of the loan specified under Subsection (2)(f):
   (i) if the term of the loan under Subsection (2)(e) is one year or less, may not be less than the rate offered by the Public Treasurers' Investment Fund that was created for public funds transferred to the state treasurer in accordance with Section 51-7-5; or
   (ii) if the term of the loan under Subsection (2)(e) is more than one year, may not be less than the greater of the rate offered by:
      (A) the Public Treasurers' Investment Fund that was created for public funds transferred to the state treasurer in accordance with Section 51-7-5; or
      (B) a United States Treasury note of a comparable term.

(5)
(a) For an interfund loan under Subsection (1), the board of trustees shall:
   (i) hold a public hearing;
   (ii) prepare a written notice of the date, time, place, and purpose of the hearing, and the proposed terms and conditions of the interfund loan under Subsection (2);
   (iii) provide notice of the public hearing in the same manner as required under Section 17B-1-609 as if the hearing were a budget hearing; and
   (iv) authorize the interfund loan by resolution in a public meeting.
(b) The notice and hearing requirements in Subsection (5)(a) are satisfied if the interfund loan is included in an original budget or in a subsequent budget amendment previously approved by the board of trustees for the current fiscal year.

(6) Subsections (2) through (5) do not apply to an interfund loan if the interfund loan is:
(a) a loan from the local district general fund to any other fund of the local district; or
(b) a short-term advance from the local district's cash and investment pool to individual funds that are repaid by the end of the fiscal year.

Amended by Chapter 253, 2014 General Session

17B-1-627 Property tax levy -- Time for setting -- Computation of total levy -- Apportionment of proceeds -- Maximum levy.
(1) The board of trustees of each local district authorized to levy a property tax, at a regular meeting or special meeting called for that purpose, shall, by resolution, set the real and personal property tax rate for various district purposes by the date set under Section 59-2-912,
but the rate may be set at an appropriate later date in accordance with Sections 59-2-919 through 59-2-923.

(2) In its computation of the total levy, the board of trustees shall determine the requirements of each fund for which property taxes are to be levied and shall specify in its resolution adopting the tax rate the amount apportioned to each fund.

(3) The proceeds of the levy apportioned for general fund purposes shall be credited as revenue in the general fund.

(4) The proceeds of the levy apportioned for special fund purposes shall be credited to the appropriate accounts in the applicable special funds.

(5) The combined levies for each district for all purposes in any year, excluding the retirement of general obligation bonds and the payment of any interest on the bonds, and any taxes expressly authorized by law to be levied in addition, may not exceed the limit enumerated by the laws governing each district.

Amended by Chapter 204, 2009 General Session

17B-1-628 Certification of resolution setting levy.
The district clerk, as appointed under Section 17B-1-631, shall certify the resolution setting the levy to the county auditor, or auditors if the district is located in more than one county, in accordance with Section 59-2-912, or in the case of a tax rate increase in excess of the certified rate, in accordance with Section 59-2-920.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-629 Operating and capital budgets.
(1)  
   (a) As used in this section, "operating and capital budget" means a plan of financial operation for a proprietary or other required special fund, embodying estimates of operating resources and expenses and other outlays for a fiscal year.

   (b) Except as otherwise expressly provided, the reference to "budget" or "budgets" and the procedures and controls relating to them in other sections of this part do not apply or refer to the "operating and capital budgets" provided for in this section.

   (2) On or before the time the board of trustees adopts budgets for the governmental funds under Section 17B-1-605, it shall adopt for the ensuing year an operating and capital budget for each proprietary fund and shall adopt the type of budget for other special funds which is required by the Uniform Accounting Manual for Local Districts.

   (3) Operating and capital budgets shall be adopted and administered in the following manner:

   (a)  
      (i) On or before the first regularly scheduled meeting of the board of trustees, in November for calendar year entities and May for fiscal year entities, the budget officer shall prepare for the ensuing fiscal year, and file with the board of trustees, a tentative operating and capital budget for each proprietary fund and for other required special funds, together with specific work programs and any other supporting data required by the board.

      (ii) If, within any proprietary fund, allocations or transfers that are not reasonable allocations of costs between funds are included in a tentative budget, a written notice of the date, time, place, and purpose of the hearing shall be mailed to utility fund customers at least seven days before the hearing.

      (iii) The purpose portion of the notice required under Subsection (3)(a)(ii) shall identify:
(A) the enterprise utility fund from which money is being transferred;
(B) the amount being transferred; and
(C) the fund to which the money is being transferred.

(b)
(i) The board of trustees shall review and consider the tentative budgets at any regular meeting
or special meeting called for that purpose.
(ii) The board of trustees may make any changes in the tentative budgets that it considers
advisable.

(c) Budgets for proprietary or other required special funds shall comply with the public hearing
requirements established in Sections 17B-1-609 and 17B-1-610.

(d)
(i) The board of trustees shall adopt an operating and capital budget for each proprietary fund
for the ensuing fiscal year before the beginning of each fiscal year, except as provided in
Sections 59-2-919 through 59-2-923.
(ii) A copy of the budget as finally adopted for each proprietary fund shall be certified by the
budget officer and filed by the officer in the district office and shall be available to the public
during regular business hours.
(iii) A copy of the budget shall also be filed with the state auditor within 30 days after adoption.

(e)
(i) Upon final adoption, the operating and capital budget is in effect for the budget year, subject
to later amendment.
(ii) During the budget year, the board of trustees may, in any regular meeting or special meeting
called for that purpose, review any one or more of the operating and capital budgets for the
purpose of determining if the total of any of them should be increased.
(iii) If the board of trustees decides that the budget total of one or more of these proprietary
funds should be increased, the board shall follow the procedures established in Section
17B-1-630.

(f) Expenditures from operating and capital budgets shall conform to the requirements relating to
budgets specified in Sections 17B-1-617 through 17B-1-620.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-630 Increase in appropriations for operating and capital budget funds -- Notice.
The total budget appropriation of any fund described in Section 17B-1-629 may be increased
by resolution of the board of trustees at any regular meeting, or special meeting called for that
purpose, if written notice of the time, place, and purpose of the meeting has been mailed or
delivered to all members of the board of trustees at least five days prior to the meeting. The notice
may be waived in writing or orally during attendance at the meeting by any member of the board of
trustees.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-631 District clerk -- Meetings and records.
(1) The board of trustees of each local district shall appoint a district clerk.
(2) If required, the clerk may be chosen from among the members of the board of trustees, except
the chair.
(3) The district clerk or other appointed person shall attend the meetings and keep a record of the
proceedings of the board of trustees.
17B-1-632 District clerk -- Bookkeeping duties.
The district clerk or other designated person not performing treasurer duties shall maintain the financial records for each fund of the local district and all related subsidiary records, including a list of the outstanding bonds, their purpose, amount, terms, date, and place payable.

17B-1-633 District treasurer -- Duties generally.
(1) (a) The board of trustees of each local district shall appoint a district treasurer.
(b) (i) If required, the treasurer may be chosen from among the members of the board of trustees, except that the board chair may not be district treasurer.
(ii) The district clerk may not also be the district treasurer.
(2) The district treasurer is custodian of all money, bonds, or other securities of the district.
(3) The district treasurer shall:
   (a) determine the cash requirements of the district and provide for the deposit and investment of all money by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act;
   (b) receive all public funds and money payable to the district within three business days after collection, including all taxes, licenses, fines, and intergovernmental revenue;
   (c) keep an accurate detailed account of all money received under Subsection (3)(b) in the manner provided in this part and as directed by the district's board of trustees by resolution; and
   (d) collect all special taxes and assessments as provided by law and ordinance.

17B-1-634 Receipts for payment.
The district treasurer shall give or cause to be given to every person paying money to the district treasury, a receipt or other evidence of payment, specifying, as appropriate, the date of payment and upon which account paid and shall file the duplicate of the receipt.

17B-1-635 Duties with respect to issuance of checks.
(1) The district clerk or other designated person not performing treasurer duties shall prepare the necessary checks after having determined that:
   (a) the claim was authorized by:
      (i) the board of trustees; or
      (ii) the local district financial officer, if the financial officer is not the clerk, in accordance with Section 17B-1-642;
   (b) the claim does not overexpend the appropriate departmental budget established by the board of trustees; and
   (c) the expenditure was approved in advance by the board of trustees or its designee.
(2)
(a) The treasurer or any other person appointed by the board of trustees shall sign all checks.
(ii) The person maintaining the financial records may not sign any single signature check.
(b) In a local district with an expenditure budget of less than $50,000 per year, a member of the board of trustees shall also sign all checks.
(c) Before affixing a signature, the treasurer or other designated person shall determine that a sufficient amount is on deposit in the appropriate bank account of the district to honor the check.

17B-1-636 Special assessments -- Application of proceeds.
All money received by the treasurer on any special assessment shall be applied to the payment of the improvement for which the assessment was made. The money shall be used for the payment of interest and principal on bonds or other indebtedness issued in settlement, and may not be used for any other purpose except as provided in Section 17B-1-625.

17B-1-637 Deposit of district funds -- Commingling with personal funds unlawful -- Suspension from office.
The treasurer shall promptly deposit all district funds in the appropriate bank accounts of the district. It shall be unlawful for any person to commingle district funds with the person's own money. If it appears that the treasurer or any other officer is making a profit out of public money, or is using the same for any purpose not authorized by law, the treasurer or officer shall be suspended from office.

17B-1-638 Quarterly financial reports required.
The district clerk or other delegated person shall prepare and present to the board of trustees detailed quarterly financial reports showing the financial position and operations of the district for that quarter and the year to date status.

17B-1-639 Annual financial reports -- Audit reports.
(1) Within 180 days after the close of each fiscal year, the district shall prepare an annual financial report in conformity with generally accepted accounting principles as prescribed in the Uniform Accounting Manual for Local Districts.
(2) The requirement under Subsection (1) to prepare an annual financial report may be satisfied by presentation of the audit report furnished by the auditor.
(3) Copies of the annual financial report or the audit report furnished by the auditor shall be filed with the state auditor and shall be filed as a public document in the district office.

Amended by Chapter 448, 2013 General Session
17B-1-640 Audits required.
(1) An audit of each local district is required to be performed in conformity with Title 51, Chapter 2a, Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act.
(2) The board of trustees shall appoint an auditor for the purpose of complying with the requirements of this section and with Title 51, Chapter 2a, Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act.

Amended by Chapter 448, 2013 General Session

17B-1-641 Local district may expand uniform procedures -- Limitation.
(1) Subject to Subsection (2), a local district may expand the uniform accounting, budgeting, and reporting procedure prescribed in the Uniform Accounting Manual for Local Districts prepared by the state auditor under Subsection 67-3-1(16), to better serve the needs of the district.
(2) A local district may not deviate from or alter the basic prescribed classification systems for the identity of funds and accounts set forth in the Uniform Accounting Manual for Local Districts.

Amended by Chapter 256, 2018 General Session

17B-1-642 Approval of district expenditures.
(1) The board of trustees of each local district shall approve all expenditures of the district except as otherwise provided in this section.
(2) The board of trustees may authorize the district manager or other official approved by the board to act as the financial officer for the purpose of approving:
   (a) payroll checks, if the checks are prepared in accordance with a schedule approved by the board; and
   (b) routine expenditures, such as utility bills, payroll-related expenses, supplies, and materials.
(3) Notwithstanding Subsection (2), the board of trustees shall, at least quarterly, review all expenditures authorized by the financial officer.
(4) The board of trustees shall set a maximum sum over which all purchases may not be made without the board's approval.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-643 Imposing or increasing a fee for service provided by local district.
(1)
   (a) Before imposing a new fee or increasing an existing fee for a service provided by a local district, each local district board of trustees shall first hold a public hearing at which:
      (i) the local district shall demonstrate its need to impose or increase the fee; and
      (ii) any interested person may speak for or against the proposal to impose a fee or to increase an existing fee.
   (b) Each public hearing under Subsection (1)(a) shall be held in the evening beginning no earlier than 6 p.m.
   (c) A public hearing required under this Subsection (1) may be combined with a public hearing on a tentative budget required under Section 17B-1-610.
   (d) Except to the extent that this section imposes more stringent notice requirements, the local district board shall comply with Title 52, Chapter 4, Open and Public Meetings Act, in holding the public hearing under Subsection (1)(a).
(2) Each local district board shall give notice of a hearing under Subsection (1) as provided in Subsections (2)(b) and (c) or Subsection (2)(d).

(b) The notice required under Subsection (2)(a) shall be published:
   (i) on the Utah Public Notice Website established in Section 63F-1-701; and
   (ii)
      (A) in a newspaper or combination of newspapers of general circulation in the local district, if there is a newspaper or combination of newspapers of general circulation in the local district; or
      (B) if there is no newspaper or combination of newspapers of general circulation in the local district, the local district board shall post at least one notice per 1,000 population within the local district, at places within the local district that are most likely to provide actual notice to residents within the local district.

(c)
   (i) The notice described in Subsection (2)(b)(ii)(A):
      (A) shall be no less than 1/4 page in size and the type used shall be no smaller than 18 point, and surrounded by a 1/4-inch border;
      (B) may not be placed in that portion of the newspaper where legal notices and classified advertisements appear;
      (C) whenever possible, shall appear in a newspaper that is published at least one day per week;
      (D) shall be in a newspaper or combination of newspapers of general interest and readership in the local district, and not of limited subject matter; and
      (E) shall be run once each week for the two weeks preceding the hearing.
   (ii) The notice described in Subsection (2)(b) shall state that the local district board intends to impose or increase a fee for a service provided by the local district and will hold a public hearing on a certain day, time, and place fixed in the notice, which shall be not less than seven days after the day the first notice is published, for the purpose of hearing comments regarding the proposed imposition or increase of a fee and to explain the reasons for the proposed imposition or increase.

(d)
   (i) In lieu of providing notice under Subsection (2)(b), the local district board of trustees may give the notice required under Subsection (2)(a) by mailing the notice to those within the district who:
      (A) will be charged the fee for a district service, if the fee is being imposed for the first time; or
      (B) are being charged a fee, if the fee is proposed to be increased.
   (ii) Each notice under Subsection (2)(d)(i) shall comply with Subsection (2)(c)(ii).
   (iii) A notice under Subsection (2)(d)(i) may accompany a district bill for an existing fee.

(e) If the hearing required under this section is combined with the public hearing required under Section 17B-1-610, the notice required under this Subsection (2):
   (i) may be combined with the notice required under Section 17B-1-609; and
   (ii) shall be published, posted, or mailed in accordance with the notice provisions of this section.

(f) Proof that notice was given as provided in Subsection (2)(b) or (d) is prima facie evidence that notice was properly given.

(g) If no challenge is made to the notice given of a hearing required by Subsection (1) within 30 days after the date of the hearing, the notice is considered adequate and proper.

(3) After holding a public hearing under Subsection (1), a local district board may:
   (a) impose the new fee or increase the existing fee as proposed;
(b) adjust the amount of the proposed new fee or the increase of the existing fee and then impose the new fee or increase the existing fee as adjusted; or
(c) decline to impose the new fee or increase the existing fee.
(4) This section applies to each new fee imposed and each increase of an existing fee that occurs on or after July 1, 1998.

(5)
(a) This section does not apply to an impact fee.
(b) The imposition or increase of an impact fee is governed by Title 11, Chapter 36a, Impact Fees Act.

Amended by Chapter 273, 2016 General Session

17B-1-644 Definitions -- Electronic payments -- Fee.
(1) As used in this section:
(a) "Electronic payment" means the payment of money to a local district by electronic means, including by means of a credit card, charge card, debit card, prepaid or stored value card or similar device, or automatic clearinghouse transaction.
(b) "Electronic payment fee" means an amount of money to defray the discount fee, processing fee, or other fee charged by a credit card company or processing agent to process an electronic payment.
(c) "Processing agent" means a bank, transaction clearinghouse, or other third party that charges a fee to process an electronic payment.
(2) A local district may accept an electronic payment for the payment of funds which the local district could have received through another payment method.
(3) A local district that accepts an electronic payment may charge an electronic payment fee.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-645 Residential fee credit.
(1) A local district may create a fee structure under this title that permits:
(a) a home owner or residential tenant to file for a fee credit for a fee charged by the local district, if the credit is based on:
   (i) the home owner's annual income; or
   (ii) the residential tenant's annual income; or
(b) an owner of federally subsidized housing to file for a credit for a fee charged by the local district.
(2) If a local district permits a person to file for a fee credit under Subsection (1)(a), the local district shall make the credit available to:
(a) a home owner; and
(b) a residential tenant.

Enacted by Chapter 171, 2010 General Session

Part 7
Local District Budgets and Audit Reports
17B-1-701 Definitions.

As used in this part:
(1) "Audit reports" means the reports of any independent audit of the district performed by:
(a) an independent auditor as required by Title 51, Chapter 2a, Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act;
(b) the state auditor; or
(c) the legislative auditor.
(2) "Board" means the local district board of trustees.
(3) "Budget" means a plan of financial operations for a fiscal year that includes:
(a) estimates of proposed expenditures for given purposes and the proposed means of financing them;
(b) the source and amount of estimated revenue for the district for the fiscal year;
(c) fund balance in each fund at the beginning of the fiscal year and the projected fund balance for each fund at the end of the fiscal year; and
(d) capital projects or budgets for proposed construction or improvement to capital facilities within the district.
(4) "Constituent entity" means any county, city, or town that levies property taxes within the boundaries of the district.
(5) (a) "Customer agencies" means those governmental entities, except school districts, institutions of higher education, and federal government agencies that purchase or obtain services from the local district.
(b) "Customer agencies" for purposes of state agencies means the state auditor.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-702 Local districts to submit budgets.

(1) (a) Except as provided in Subsection (1)(b), within 30 days after it is approved by the board, and at least 30 days before the board adopts a final budget, the board of each local district with an annual budget of $50,000 or more shall send a copy of its tentative budget and notice of the time and place for its budget hearing to:
(i) each of its constituent entities that has in writing requested a copy; and
(ii) to each of its customer agencies that has in writing requested a copy.
(b) Within 30 days after it is approved by the board, and at least 30 days before the board adopts a final budget, the board of trustees of a large public transit district as defined in Section 17B-2a-802 shall send a copy of its tentative budget and notice of the time and place for its budget hearing to:
(i) each of its constituent entities;
(ii) each of its customer agencies that has in writing requested a copy;
(iii) the governor; and
(iv) the Legislature.
(c) The local district shall include with the tentative budget a signature sheet that includes:
(i) language that the constituent entity or customer agency received the tentative budget and has no objection to it; and
(ii) a place for the chairperson or other designee of the constituent entity or customer agency to sign.
(2) Each constituent entity and each customer agency that receives the tentative budget shall review the tentative budget submitted by the district and either:
(a) sign the signature sheet and return it to the district; or
(b) attend the budget hearing or other meeting scheduled by the district to discuss the objections to the proposed budget.

(3)
(a) If any constituent entity or customer agency that received the tentative budget has not returned the signature sheet to the local district within 15 calendar days after the tentative budget was mailed, the local district shall send a written notice of the budget hearing to each constituent entity or customer agency that did not return a signature sheet and invite them to attend that hearing.
(b) If requested to do so by any constituent entity or customer agency, the local district shall schedule a meeting to discuss the budget with the constituent entities and customer agencies.
(c) At the budget hearing, the local district board shall:
   (i) explain its budget and answer any questions about it;
   (ii) specifically address any questions or objections raised by the constituent entity, customer agency, or those attending the meeting; and
   (iii) seek to resolve the objections.

(4) Nothing in this part prevents a local district board from approving or implementing a budget over any or all constituent entity’s or customer agency’s protests, objections, or failure to respond.

Amended by Chapter 424, 2018 General Session

17B-1-703 Local districts to submit audit reports.

(1)
(a) Except as provided in Subsection (1)(b), within 30 days after it is presented to the board, the board of each local district with an annual budget of $50,000 or more shall send a copy of any audit report to:
   (i) each of its constituent entities that has in writing requested a copy; and
   (ii) each of its customer agencies that has in writing requested a copy.
(b) Within 30 days after it is presented to the board, the board of a large public transit district as defined in Section 17B-2a-802 shall send a copy of its annual audit report to:
   (i) each of its constituent entities; and
   (ii) each of its customer agencies that has in writing requested a copy.

(2) Each constituent entity and each customer agency that received the audit report shall review the audit report submitted by the district and, if necessary, request a meeting with the district board to discuss the audit report.

(3) At the meeting, the local district board shall:
   (a) answer any questions about the audit report; and
   (b) discuss their plans to implement suggestions made by the auditor.

Amended by Chapter 424, 2018 General Session
Local District Personnel Management

17B-1-801 Establishment of local district merit system.
(1) A merit system of personnel administration for the local districts of the state, their departments, offices, and agencies, except as otherwise specifically provided, is established.
(2) This part does not apply to a local district with annual revenues less than $50,000.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-802 Review of personnel policies.
Each local district that has full or part-time employees shall annually review its personnel policies to ensure that they conform to the requirements of state and federal law.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-803 Merit principles.
A local district may establish a personnel system administered in a manner that will provide for the effective implementation of merit principles that provide for:
(1) recruiting, selecting, and advancing employees on the basis of their relative ability, knowledge, and skills, including open consideration of qualified applicants for initial appointment;
(2) providing equitable and adequate compensation;
(3) training employees as needed to assure high-quality performance;
(4) retaining employees on the basis of the adequacy of their performance, and separation of employees whose inadequate performance cannot be corrected;
(5) fair treatment of applicants and employees in all aspects of personnel administration without regard to race, color, religion, sex, national origin, political affiliation, age, or disability, and with proper regard for their privacy and constitutional rights as citizens;
(6) providing information to employees regarding their political rights and prohibited practices under the Hatch Political Activities Act, 5 U.S.C. Sec. 1501 through 1508 et seq.; and
(7) providing a formal procedure for processing the appeals and grievances of employees without discrimination, coercion, restraint, or reprisal.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-804 Compliance with Labor Code requirements.
Each local district shall comply with the requirements of Section 34-32-1.1.

Renumbered and Amended by Chapter 329, 2007 General Session

17B-1-805 Human resource management requirement.
(1) As used in this section:
(a) "Governing body" means the same as that term is defined in Section 17B-1-201.
(b) "Human resource management duties" means the exercise of human resource management functions and responsibilities, including:
(i) complying with federal and state employment law;
(ii) administering compensation and benefits; and
(iii) ensuring employee safety.
(c) "Human resource management training" means a program designed to instruct an individual on the performance of human resource management duties.

(2) If a local district has full or part-time employees, the governing body shall:
   (a) adopt human resource management policies;
   (b) assign human resource management duties to one of the district's employees or another person; and
   (c) ensure that the employee or person assigned under Subsection (2)(b) receives human resource management training.

Enacted by Chapter 154, 2018 General Session

Part 9
Collection of Service Fees and Charges

17B-1-901 Providing and billing for multiple commodities, services, or facilities -- Suspending service to a delinquent customer.
(1) If a local district provides more than one commodity, service, or facility, the district may bill for the fees and charges for all commodities, services, and facilities in a single bill.
(2) Regardless of the number of commodities, services, or facilities furnished by a local district, the local district may suspend furnishing any commodity, service, or facility to a customer if the customer fails to pay all fees and charges when due.
(3)
   (a) Notwithstanding Subsection (2) and except as provided in Subsection (3)(b), a local district may not suspend furnishing any commodity, service, or facility to a customer if discontinuance of the service is requested by a private third party, including an individual, a private business, or a nonprofit organization, that is not the customer.
   (b)
      (i) An owner of land or the owner's agent may request that service be temporarily discontinued for maintenance-related activities.
      (ii) An owner of land or the owner's agent may not request temporary discontinuance of service under Subsection (3)(b)(i) if the request is for the purpose of debt collection, eviction, or any other unlawful purpose.

Amended by Chapter 260, 2015 General Session

17B-1-902 Lien for past due service fees -- Notice -- Partial payment allocation.
(1)
   (a) A local district may hold a lien on a customer's property for past due fees for commodities, services, or facilities that the district has provided to the customer's property by certifying, subject to Subsection (3), to the treasurer of the county in which the customer's property is located the amount of past due fees, including, subject to Section 17B-1-902.1, applicable interest and administrative costs.
   (b)
      (i) Upon certification under Subsection (1)(a), the past due fees, and if applicable, interest and administrative costs, become a political subdivision lien that is a nonrecurring tax notice charge, as those terms are defined in Section 11-60-102, on the customer's property to
which the commodities, services, or facilities were provided in accordance with Title 11, Chapter 60, Political Subdivision Lien Authority.

(ii) A lien described in this Subsection (1) has the same priority as, but is separate and distinct from, a property tax lien.

(2)
(a) If a local district certifies past due fees under Subsection (1)(a), the treasurer of the county shall provide a notice, in accordance with this Subsection (2), to the owner of the property for which the local district has incurred the past due fees.

(b) In providing the notice required in Subsection (2)(a), the treasurer of the county shall:
   (i) include the amount of past due fees that a local district has certified on or before July 15 of the current year;
   (ii) provide contact information, including a phone number, for the property owner to contact the local district to obtain more information regarding the amount described in Subsection (2)(b)(i); and
   (iii) notify the property owner that:
      (A) if the amount described in Subsection (2)(b)(i) is not paid in full by September 15 of the current year, any unpaid amount will be included on the property tax notice required by Section 59-2-1317; and
      (B) the failure to pay the amount described in Subsection (2)(b)(i) has resulted in a lien on the property in accordance with Subsection (1)(b).

(c) The treasurer of the county shall provide the notice required by this Subsection (2) to a property owner on or before August 1.

(3)
(a) If a local district certifies an unpaid amount in accordance with Subsection (1)(a), the county treasurer shall include the unpaid amount on a property tax notice issued in accordance with Section 59-2-1317.

(b) If an unpaid fee, administrative cost, or interest is included on a property tax notice in accordance with Subsection (3)(a), the county treasurer shall on the property tax notice:
   (i) clearly state that the unpaid fee, administrative cost, or interest is for a service provided by the local district; and
   (ii) itemize the unpaid fee, administrative cost, or interest separate from any other tax, fee, interest, or penalty that is included on the property tax notice in accordance with Section 59-2-1317.

(4) A lien under Subsection (1) is not valid if the local district makes certification under Subsection (1)(a) after the filing for record of a document conveying title of the customer's property to a new owner.

(5) Nothing in this section may be construed to:
   (a) waive or release the customer's obligation to pay fees that the district has imposed;
   (b) preclude the certification of a lien under Subsection (1) with respect to past due fees for commodities, services, or facilities provided after the date that title to the property is transferred to a new owner; or
   (c) nullify or terminate a valid lien.

(6) After all amounts owing under a lien established as provided in this section have been paid, the local district shall file for record in the county recorder's office a release of the lien.

Amended by Chapter 197, 2018 General Session

17B-1-902.1 Interest -- Collection of administrative costs.
(1) A local district may charge interest on a past due fee or past due charge.

(b) If a local district charges interest as described in Subsection (1)(b), the local district shall calculate the interest rate for a calendar year:

(i) based on the federal short-term rate determined by the secretary of the treasury under Section 6621, Internal Revenue Code, in effect for the preceding fourth calendar quarter; and

(ii) as simple interest at the rate of eighteen percentage points above the federal short-term rate.

(c) If a local district charges interest on a past due fee collected by the local district, regardless of whether the fee is certified, the local district may charge the interest monthly but may not compound the interest more frequently than annually.

(2) A local district may charge and collect only one of the following:

(a) a one-time penalty charge not to exceed 8% for a past-due fee; or

(b) an administrative cost for some or all of the following:

(A) the collection cost of a past due fee or charge;

(B) reasonable attorney fees actually incurred for collection and foreclosure costs, if applicable; and

(C) any other cost.

(b) A local district may not charge interest on an administrative cost.

Enacted by Chapter 349, 2015 General Session

17B-1-903 Authority to require written application for water or sewer service and to terminate for failure to pay -- Limitations.

(1) A local district that owns or controls a system for furnishing water or providing sewer service or both may:

(a) before furnishing water or providing sewer service to a property, require the property owner or an authorized agent to submit a written application, signed by the owner or an authorized agent, agreeing to pay for all water furnished or sewer service provided to the property, whether occupied by the owner or by a tenant or other occupant, according to the rules and regulations adopted by the local district; and

(b) if a customer fails to pay for water furnished or sewer service provided to the customer’s property, discontinue furnishing water or providing sewer service to the property until all amounts for water furnished or sewer service provided are paid, subject to Subsection (2).

(2) Unless a valid lien has been established as provided in Section 17B-1-902, has not been satisfied, and has not been terminated by a sale as provided in Section 17B-1-902, a local district may not:

(a) use a customer’s failure to pay for water furnished or sewer service provided to the customer’s property as a basis for not furnishing water or providing sewer service to the property after ownership of the property is transferred to a subsequent owner; or

(b) require an owner to pay for water that was furnished or sewer service that was provided to the property before the owner’s ownership.

Amended by Chapter 349, 2015 General Session

17B-1-904 Collection of service fees.
(1) As used in this section:
   (a) "Collection costs" means an amount, not to exceed $20, to reimburse a local district for expenses associated with its efforts to collect past due service fees from a customer.
   (b) "Customer" means the owner of real property to which a local district has provided a service for which the local district charges a service fee.
   (c) "Damages" means an amount equal to the greater of:
      (i) $100; and
      (ii) triple the past due service fees.
   (d) "Default date" means the date on which payment for service fees becomes past due.
   (e) "Past due service fees" means service fees that on or after the default date have not been paid.
   (f) "Prelitigation damages" means an amount that is equal to the greater of:
      (i) $50; and
      (ii) triple the past due service fees.
   (g) "Service fee" means an amount charged by a local district to a customer for a service, including furnishing water, providing sewer service, and providing garbage collection service, that the district provides to the customer's property.
(2) A customer is liable to a local district for past due service fees and collection costs if:
   (a) the customer has not paid service fees before the default date;
   (b) the local district mails the customer notice as provided in Subsection (4); and
   (c) the past due service fees remain unpaid 15 days after the local district has mailed notice.
(3) If a customer has not paid the local district the past due service fees and collection costs within 30 days after the local district mails notice, the local district may make an offer to the customer that the local district will forego filing a civil action under Subsection (5) if the customer pays the local district an amount that:
   (a) consists of the past due service fees, collection costs, prelitigation damages, and, if the local district retains an attorney to recover the past due service fees, a reasonable attorney fee not to exceed $50; and
   (b) if the customer's property is residential, may not exceed $100.
(4)
   (a) Each notice under Subsection (2)(b) shall:
      (i) be in writing;
      (ii) be mailed to the customer by the United States mail, postage prepaid;
      (iii) notify the customer that:
         (A) if the past due service fees are not paid within 15 days after the day on which the local district mailed notice, the customer is liable for the past due service fees and collection costs; and
         (B) the local district may file civil action if the customer does not pay to the local district the past due service fees and collection costs within 30 calendar days from the day on which the local district mailed notice; and
      (iv) be in substantially the following form:
         Date: ____________________________
         To: ______________________________________
         Service address: __________________________
         Account or invoice number(s): _______________
         Date(s) of service: _________________________
         Amount past due: _________________________
You are hereby notified that water or sewer service fees (or both) owed by you are in default. In accordance with Section 17B-1-902, Utah Code Annotated, if you do not pay the past due amount within 15 days from the day on which this notice was mailed to you, you are liable for the past due amount together with collection costs of $20.

You are further notified that if you do not pay the past due amount and the $20 collection costs within 30 calendar days from the day on which this notice was mailed to you, an appropriate civil legal action may be filed against you for the past due amount, interest, court costs, attorney fees, and damages in an amount equal to the greater of $100 or triple the past due amounts, but the combined total of all these amounts may not exceed $200 if your property is residential.

(Signed) _______________________________________
Name of local district _____________________________
Address of local district ___________________________
Telephone number of local district ___________________

(b) Written notice under this section is conclusively presumed to have been given if the notice is:
   (i) properly deposited in the United States mail, postage prepaid, by certified or registered mail, return receipt requested; and
   (ii) addressed to the customer at the customer's:
      (A) address as it appears in the records of the local district; or
      (B) last-known address.

(5)
(a) A local district may file a civil action against the customer if the customer fails to pay the past due service fees and collection costs within 30 calendar days from the date on which the local district mailed notice under Subsection (2)(b).

(b) 
   (i) In a civil action under this Subsection (5), a customer is liable to the local district for an amount that:
      (A) consists of past due service fees, collection costs, interest, court costs, a reasonable attorney fee, and damages; and
      (B) if the customer's property is residential, may not exceed $200.
   (ii) Notwithstanding Subsection (5)(b)(i), a court may, upon a finding of good cause, waive interest, court costs, the attorney fee, and damages, or any combination of them.

(c) If a local district files a civil action under this Subsection (5) before 31 calendar days after the day on which the local district mailed notice under Subsection (2)(b), a customer may not be held liable for an amount in excess of past due service fees.

(d) A local district may not file a civil action under this Subsection (5) unless the customer has failed to pay the past due service fees and collection costs within 30 days from the day on which the local district mailed notice under Subsection (2)(b).

(6)
(a) All amounts charged or collected as prelitigation damages or as damages shall be paid to and be the property of the local district that furnished water or provided sewer service and may not be retained by a person who is not that local district.
(b) A local district may not contract for a person to retain any amounts charged or collected as prelitigation damages or as damages.

(7) This section may not be construed to limit a local district from obtaining relief to which it may be entitled under other applicable statute or cause of action.

Renumbered and Amended by Chapter 329, 2007 General Session
17B-1-905 Right of entry on premises of water user.

A person authorized by a local district that provides a service from a water system or sewer system may enter upon a premise furnished with or provided that water service or sewer service to:
(1) examine an apparatus related to or used by the water system or sewer system;
(2) examine the amount of water used or wastewater discharged by the water system or sewer system and the manner of use or discharge; or
(3) make a necessary shutoff for vacancy, delinquency, or a violation of a local district rule or regulation relating to the water service or sewer service.

Enacted by Chapter 106, 2011 General Session

17B-1-906 Extraterritorial supply of surplus.

If a local district runs a surplus product or surplus capacity of a service that the local district is authorized to provide under Section 17B-1-202, the local district may sell or deliver the product or service to others beyond the local district boundaries.

Enacted by Chapter 106, 2011 General Session

Part 10
Local District Property Tax Levy

17B-1-1001 Provisions applicable to property tax levy.

(1) Each local district that levies and collects property taxes shall levy and collect them according to the provisions of Title 59, Chapter 2, Property Tax Act.

(2) As used in this section:
(a) "Appointed board of trustees" means a board of trustees of a local district that includes a member who is appointed to the board of trustees in accordance with Section 17B-1-304, Subsection 17B-1-303(5), Subsection 17B-1-306(5)(h), or any of the applicable provisions in Title 17B, Chapter 2a, Provisions Applicable to Different Types of Local Districts.
(b) "Elected board of trustees" means a board of trustees of a local district that consists entirely of members who are elected to the board of trustees in accordance with Subsection (4), Section 17B-1-306, or any of the applicable provisions in Title 17B, Chapter 2a, Provisions Applicable to Different Types of Local Districts.

(3)
(a) For a taxable year beginning on or after January 1, 2018, a local district may not levy or collect property tax revenue that exceeds the certified tax rate unless:
(i) to the extent that the revenue from the property tax was pledged before January 1, 2018, the local district pledges the property tax revenue to pay for bonds or other obligations of the local district; or
(ii) the proposed tax or increase in the property tax rate has been approved by:
(A) an elected board of trustees;
(B) subject to Subsection (3)(b), an appointed board of trustees;
(C) a majority of the registered voters within the local district who vote in an election held for that purpose on a date specified in Section 20A-1-204;
(D) the legislative body of the appointing authority; or
(E) the legislative body of:
   (I) a majority of the municipalities partially or completely included within the boundary of the
       specified local district; or
   (II) the county in which the specified local district is located, if the county has some or all of
       its unincorporated area included within the boundary of the specified local district.

(b) For a local district with an appointed board of trustees, each appointed member of the
    board of trustees shall comply with the trustee reporting requirements described in Section
    17B-1-1003 before the local district may impose a property tax levy that exceeds the certified
    tax rate.

(4)
(a) Notwithstanding provisions to the contrary in Title 17B, Chapter 2a, Provisions Applicable to
    Different Types of Local Districts, and subject to Subsection (4)(b), members of the board of
    trustees of a local district shall be elected, if:
   (i) two-thirds of all members of the board of trustees of the local district vote in favor of
       changing to an elected board of trustees; and
   (ii) the legislative body of each municipality or county that appoints a member to the board of
       trustees adopts a resolution approving the change to an elected board of trustees.
(b) A change to an elected board of trustees under Subsection (4)(a) may not shorten the term of
    any member of the board of trustees serving at the time of the change.

(5) Subsections (2), (3), and (4) do not apply to:
(a) Title 17B, Chapter 2a, Part 6, Metropolitan Water District Act;
(b) Title 17B, Chapter 2a, Part 10, Water Conservancy District Act; or
(c) a local district in which:
   (i) the board of trustees consists solely of:
       (A) land owners or the land owners’ agents; or
       (B) as described in Subsection 17B-1-302(3), land owners or the land owners’ agents or
           officers; and
   (ii) there are no residents within the local district at the time a property tax is levied.

Amended by Chapter 255, 2019 General Session

17B-1-1002 Limit on local district property tax levy -- Exclusions.
(1) The rate at which a local district levies a property tax for district operation and maintenance
    expenses on the taxable value of taxable property within the district may not exceed:
(a) .0008, for a basic local district;
(b) .0004, for a cemetery maintenance district;
(c) .0004, for a drainage district;
(d) .0008, for a fire protection district;
(e) .0008, for an improvement district;
(f) .0005, for a metropolitan water district;
(g) .0004, for a mosquito abatement district;
(h) .0004, for a public transit district;
(i)
   (i) .0023, for a service area that:
       (A) is located in a county of the first or second class; and
       (B)
       (I) provides fire protection, paramedic, and emergency services; or
(II) subject to Subsection (3), provides law enforcement services; or
(ii) .0014, for each other service area;
(j) the rates provided in Section 17B-2a-1006, for a water conservancy district; or
(k) .0008 for a municipal services district.

(2) Property taxes levied by a local district are excluded from the limit applicable to that district under Subsection (1) if the taxes are:
(a) levied under Section 17B-1-1103 by a local district, other than a water conservancy district, to pay principal of and interest on general obligation bonds issued by the district;
(b) levied to pay debt and interest owed to the United States; or
(c) levied to pay assessments or other amounts due to a water users association or other public cooperative or private entity from which the district procures water.

(3) A service area described in Subsection (1)(i)(ii)(B)(II) may not collect a tax described in Subsection (1)(i)(ii) if a municipality or a county having a right to appoint a member to the board of trustees of the service area under Subsection 17B-2a-905(2) assesses on or after November 30 in the year in which the tax is first collected and each subsequent year that the tax is collected:
(a) a generally assessed fee imposed under Section 17B-1-643 for law enforcement services; or
(b) any other generally assessed fee for law enforcement services.

Amended by Chapter 352, 2015 General Session

17B-1-1003 Trustee reporting requirement.

(1) As used in this section:
(a) "Appointed board of trustees" means a board of trustees of a local district that includes a member who is appointed to the board of trustees in accordance with Section 17B-1-304, Subsection 17B-1-303(5), Subsection 17B-1-306(5)(h), or any of the applicable provisions in Title 17B, Chapter 2a, Provisions Applicable to Different Types of Local Districts.
(b) "Legislative entity" means:
(i) the member's appointing authority, if the appointing authority is a legislative body; or
(ii) the member's nominating entity, if the appointing authority is not a legislative body.
(c) (i) "Member" means an individual who is appointed to a board of trustees for a local district in accordance with Section 17B-1-304, Subsection 17B-1-303(5), Subsection 17B-1-306(5)(h), or any of the applicable provisions in Title 17B, Chapter 2a, Provisions Applicable to Different Types of Local Districts.
(ii) "Member" includes a member of the board of trustees who holds an elected position with a municipality, county, or another local district that is partially or completely included within the boundaries of the local district.
(d) "Nominating entity" means the legislative body that submits nominees for appointment to the board of trustees to an appointing authority.
(e) "Property tax increase" means a property tax levy that exceeds the certified tax rate for the taxable year.

(2)
(a) If a local district board of trustees adopts a tentative budget that includes a property tax increase, each member shall report to the member's legislative entity on the property tax increase.
(b)
(i) The local district shall request that each of the legislative entities that appoint or nominate a member to the local district's board of trustees hear the report required by Subsection (2)(a) at a public meeting of each legislative entity.

(ii) The request to make a report may be made by:
   (A) the member appointed or nominated by the legislative entity; or
   (B) another member of the board of trustees.

(c) The member appointed or nominated by the legislative entity shall make the report required by Subsection (2)(a) at a public meeting that:
   (i) complies with Title 52, Chapter 4, Open and Public Meetings Act;
   (ii) includes the report as a separate agenda item; and
   (iii) is held within 40 days after the day on which the legislative entity receives a request to hear the report.

(d) (i) If the legislative entity does not have a scheduled meeting within 40 days after the day on which the legislative entity receives a request to hear the report required by Subsection (2)(a), the legislative entity shall schedule a meeting for that purpose.
   (ii) If the legislative entity fails to hear the report at a public meeting that meets the criteria described in Subsection (2)(c), the trustee reporting requirements under this section shall be considered satisfied.

(3) (a) A report on a property tax increase at a legislative entity's public meeting shall include:
   (i) a statement that the local district intends to levy a property tax at a rate that exceeds the certified tax rate for the taxable year;
   (ii) the dollar amount of and purpose for additional ad valorem tax revenue that would be generated by the proposed increase in the certified tax rate;
   (iii) the approximate percentage increase in ad valorem tax revenue for the local district based on the proposed property tax increase; and
   (iv) any other information requested by the legislative entity.
   (b) The legislative entity shall allow time during the meeting for comment from the legislative entity and members of the public on the property tax increase.

(4) (a) If more than one member is appointed to the board of trustees by the same legislative entity, a majority of the members appointed or nominated by the legislative entity shall be present to provide the report required by Subsection (2) and described in Subsection (3).
   (b) The chair of the board of trustees shall appoint another member of the board of trustees to provide the report described in Subsection (3) to the legislative entity if:
      (i) the member appointed or nominated by the legislative entity is unable or unwilling to provide the report at a public meeting that meets the requirements of Subsection (3)(a); and
      (ii) the absence of the member appointed or nominated by the legislative entity results in:
           (A) no member who was appointed or nominated by the legislative entity being present to provide the report; or
           (B) an inability to comply with Subsection (4)(a).

(5) A local district board of trustees may approve a property tax increase only after the conditions of this section have been satisfied or considered satisfied for each member of the board of trustees.

Amended by Chapter 255, 2019 General Session
Part 11
Local District Bonds

17B-1-1101 Provisions applicable to a local district’s issuance of bonds.

Subject to the provisions of this part:
(1) each local district that issues bonds shall:
   (a) issue them as provided in, as applicable:
       (i) Title 11, Chapter 14, Local Government Bonding Act; or
       (ii) Title 11, Chapter 42, Assessment Area Act; and
   (b) receive the benefits of Title 11, Chapter 30, Utah Bond Validation Act; and
(2) each local district that issues refunding bonds shall issue them as provided in Title 11, Chapter 27, Utah Refunding Bond Act.

Amended by Chapter 360, 2008 General Session

17B-1-1102 General obligation bonds.

(1) Except as provided in Subsection (3), if a district intends to issue general obligation bonds, the district shall first obtain the approval of district voters for issuance of the bonds at an election held for that purpose as provided in Title 11, Chapter 14, Local Government Bonding Act.

(2) General obligation bonds shall be secured by a pledge of the full faith and credit of the district, subject to:
   (a) for a water conservancy district, the property tax levy limits of Section 17B-2a-1006; and
   (b) for a limited tax bond as defined in Section 17B-2a-1202 that a public infrastructure district issues, the property tax levy limits of Section 17B-2a-1209.

(3) A district may issue refunding general obligation bonds, as provided in Title 11, Chapter 27, Utah Refunding Bond Act, without obtaining voter approval.

(4)
   (a) A local district may not issue general obligation bonds if the issuance of the bonds will cause the outstanding principal amount of all of the district’s general obligation bonds to exceed the amount that results from multiplying the fair market value of the taxable property within the district, as determined under Subsection 11-14-301(3)(b), by a number that is:
       (i) .05, for a basic local district;
       (ii) .004, for a cemetery maintenance district;
       (iii) .002, for a drainage district;
       (iv) .004, for a fire protection district;
       (v) .024, for an improvement district;
       (vi) .1, for an irrigation district;
       (vii) .1, for a metropolitan water district;
       (viii) .0004, for a mosquito abatement district;
       (ix) .03, for a public transit district;
       (x) .12, for a service area;
       (xi) .05 for a municipal services district; or
       (xii) except for a limited tax bond as defined in Section 17B-2a-1202, .15 for a public infrastructure district.
   (b) Bonds or other obligations of a local district that are not general obligation bonds are not included in the limit stated in Subsection (4)(a).
(5) A district may not be considered to be a municipal corporation for purposes of the debt limitation of the Utah Constitution, Article XIV, Section 4.

(6) Bonds issued by an administrative or legal entity created under Title 11, Chapter 13, Interlocal Cooperation Act, may not be considered to be bonds of a local district that participates in the agreement creating the administrative or legal entity.

Amended by Chapter 490, 2019 General Session

**17B-1-1103 Levy to pay for general obligation bonds.**

(1)  
(a) If a district has issued general obligation bonds, or expects to have debt service payments due on general obligation bonds during the current year, the district's board of trustees may make an annual levy of ad valorem property taxes in order to:  
(i) pay the principal of and interest on the general obligation bonds;  
(ii) establish a sinking fund for defaults and future debt service on the general obligation bonds; and  
(iii) establish a reserve to secure payment of the general obligation bonds.  
(b) A levy under Subsection (1)(a) is:  
(i) for a water conservancy district, subject to the limit stated in Section 17B-2a-1006; and  
(ii) for each other local district, without limitation as to rate or amount.

(2)  
(a) Each district that levies a tax under Subsection (1) shall:  
(i) levy the tax as a separate and special levy for the specific purposes stated in Subsection (1); and  
(ii) apply the proceeds from the levy solely for the purpose of paying the principal of and interest on the general obligation bonds, even though the proceeds may be used to establish or replenish a sinking fund under Subsection (1)(a)(ii) or a reserve under Subsection (1)(a)(iii).  
(b) A levy under Subsection (2)(a) is not subject to a priority in favor of a district obligation in existence at the time the bonds were issued.

Amended by Chapter 360, 2008 General Session

**17B-1-1104 Pledge of revenues to pay for bonds.**  
Bonds may be payable from and secured by the pledge of all or any specified part of:  
(1) the revenues to be derived by the district from providing its services and from the operation of its facilities and other properties;  
(2) sales and use taxes, property taxes, and other taxes;  
(3) federal, state, or local grants;  
(4) in the case of special assessment bonds, the special assessments pledged to repay the special assessment bonds; and  
(5) other money legally available to the district.

Amended by Chapter 360, 2008 General Session

**17B-1-1105 Revenue bonds -- Requirement to impose rates and charges to cover revenue bonds -- Authority to make agreements and covenants to provide for bond repayment.**
(1) A local district intending to issue revenue bonds may, but is not required to, submit to district voters for their approval the issuance of the revenue bonds at an election held for that purpose as provided in Title 11, Chapter 14, Local Government Bonding Act.

(2) Each local district that has issued revenue bonds shall impose rates and charges for the services or commodities it provides fully sufficient, along with other sources of district revenues, to carry out all undertakings of the district with respect to its revenue bonds.

(3) A local district that issues revenue bonds may:
   (a) agree to pay operation and maintenance expenses of the district from the proceeds of the ad valorem taxes authorized in Subsection 17B-1-103(2)(g); and
   (b) for the benefit of bondholders, enter into covenants that:
      (i) are permitted by Title 11, Chapter 14, Local Government Bonding Act; and
      (ii) provide for other pertinent matters that the board of trustees considers proper to assure the marketability of the bonds.

Enacted by Chapter 329, 2007 General Session

17B-1-1106 Board of trustees required to fix rates to cover district expenses and bonds.
   The board of trustees shall fix the rate or rates for services or commodities provided by the district that will, in conjunction with the proceeds of any maintenance and operation tax and other district revenues:
   (1) pay the district’s operating expenses;
   (2) provide for repairs and depreciation of works owned or operated by the district;
   (3) pay the interest on any bonds issued by the district; and
   (4) provide, as much as practicable, a sinking or other fund to pay the principal of the bonds as they become due.

Enacted by Chapter 329, 2007 General Session

17B-1-1107 Ratification of previously issued bonds and previously entered contracts.
   All bonds issued or contracts entered into by a local district before April 30, 2007 are ratified, validated, and confirmed and declared to be valid and legally binding obligations of the district in accordance with their terms.

Enacted by Chapter 329, 2007 General Session

Part 12
Local District Validation Proceedings

17B-1-1201 Definitions.
   As used in this part:
   (1) "Eligible function" means:
      (a) a power conferred on a local district under this title;
      (b) a tax or assessment levied by a local district;
      (c) an act or proceeding that a local district:
         (i) has taken; or
         (ii) contemplates taking; or
(d) a district contract, whether already executed or to be executed in the future, including a contract for the acquisition, construction, maintenance, or operation of works for the district.

(2) "Validation order" means a court order adjudicating the validity of an eligible function.

(3) "Validation petition" means a petition requesting a validation order.

(4) "Validation proceedings" means judicial proceedings occurring in district court pursuant to a validation petition.

Enacted by Chapter 329, 2007 General Session

17B-1-1202 Authority to file a validation petition -- Petition requirements -- Amending or supplementing a validation petition.

(1) The board of trustees of a local district may at any time file a validation petition.

(2) Each validation petition shall:
   (a) describe the eligible function for which a validation order is sought;
   (b) set forth:
      (i) the facts upon which the validity of the eligible function is founded; and
      (ii) any other information or allegations necessary to a determination of the validation petition;
   (c) be verified by the chair of the board of trustees; and
   (d) be filed in the district court of the county in which the district's principal office is located.

(3) A local district may amend or supplement a validation petition:
   (a) at any time before the hearing under Section 17B-1-1203; or
   (b) after the hearing under Section 17B-1-1203, with permission of the court.

Enacted by Chapter 329, 2007 General Session

17B-1-1203 Hearing on a validation petition.

(1) Upon the filing of a validation petition, the district court shall enter an order setting a date, time, and place for a hearing on the validation petition.

(2) A hearing under Subsection (1) may not be held less than 21 days after the filing of the validation petition.

Enacted by Chapter 329, 2007 General Session

17B-1-1204 Notice of the hearing on a validation petition -- Amended or supplemented validation petition.

(1) Upon the entry of an order under Section 17B-1-1203 setting a hearing on a validation petition, the local district that filed the petition shall:
   (a) publish notice:
      (i) at least once a week for three consecutive weeks in a newspaper of general circulation in the county in which the principal office of the district is located; and
      (ii) on the Utah Public Notice Website created in Section 63F-1-701, for three weeks immediately before the hearing; and
   (b) post notice in its principal office at least 21 days before the date set for the hearing.

(2) Each notice under Subsection (1) shall:
   (a) state the date, time, and place of the hearing on the validation petition;
   (b) include a general description of the contents of the validation petition; and
   (c) if applicable, state the location where a complete copy of a contract that is the subject of the validation petition may be examined.
(3) If a district amends or supplements a validation petition under Subsection 17B-1-1202(3) after publishing and posting notice as required under Subsection (1), the district is not required to publish or post notice again unless required by the court.

Amended by Chapter 90, 2010 General Session

17B-1-1205 Property owner or interested person may appear in validation proceedings -- Failure to appear.
(1) An owner of property within the district or a person interested in a contract or proposed contract that is the subject of a validation petition may appear and answer or otherwise plead in response to the validation petition:
   (a) at any time before the hearing under Section 17B-1-1203; or
   (b) within any additional period of time that the district court allows.
(2) If a person fails to appear and answer or otherwise plead in the time allowed under Subsection (1):
   (a) the allegations of the validation petition shall be considered admitted by that person; and
   (b) that person may not participate in the validation proceedings.

Enacted by Chapter 329, 2007 General Session

17B-1-1206 Validation petition hearing -- Validation proceedings.
(1) At each validation petition hearing, the court shall determine all matters and issues affecting the questions raised by the validation petition.
(2) The district court shall:
   (a) advance each matter pertaining to validation proceedings as a matter of immediate public interest and concern; and
   (b) hear each matter pertaining to validation proceedings at the earliest practicable moment.
(3) The district court shall disregard each error, irregularity, or omission that does not affect the substantial rights of the parties.
(4) Except as otherwise specified in this part, the Utah Rules of Civil Procedure shall govern validation proceedings in matters of pleading and practice before the district court.

Enacted by Chapter 329, 2007 General Session

17B-1-1207 Findings, conclusions, and judgment -- Costs -- Effect of judgment -- Appeal.
(1) After the hearing under Section 17B-1-1203 on a validation petition, the district court shall:
   (a) make and enter written findings of fact and conclusions of law; and
   (b) render a judgment as warranted.
(2) A district court may apportion costs among the parties as the court determines appropriate.
(3) A district court judgment adjudicating matters raised by a validation petition:
   (a) is binding and conclusive as to the local district and all other parties to the validation proceedings; and
   (b) constitutes a permanent injunction against any action or proceeding to contest any matter adjudicated in the validation proceedings.
(4) Each appeal of a final judgment in validation proceedings shall be filed with the Supreme Court.
(b) An appeal of a final judgment in validation proceedings may be filed only by a party to the validation proceedings.

(c) The appellate court hearing an appeal under this section shall expedite the hearing of the appeal.

Enacted by Chapter 329, 2007 General Session

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) 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, the owners of 33% of the acre-feet of water allotted to the land within the local district;

(b) for a local district created to acquire or assess a groundwater right for the development and execution of a groundwater management plan in coordination with the state engineer in accordance with Section 73-5-15, the owners of groundwater rights that:
   (i) are diverted within the district; and
   (ii) cover at least 33% of the total amount of groundwater diverted in accordance with the groundwater rights within the district as a whole; or

(c) for all other districts:
   (i) the owners of private real property that:
      (A) is located within the local district proposed to be dissolved;
      (B) covers at least 33% of the private land area within the local district; and
      (C) is equal in assessed value to at least 25% of the assessed value of all private real property within the local district; or
   (ii) 33% of registered voters residing within the local district proposed to be dissolved.

Amended by Chapter 248, 2017 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) 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 that an administrative body adopts under Subsection 17B-1-1303(1)(b), the administrative body shall hold a public hearing on the proposed dissolution.
(2) The administrative body shall hold a public hearing under Subsection (1):
   (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 administrative body to explain the process the administrative body will follow to study and prepare the proposed dissolution;
      (ii) the public to ask questions and obtain further information about the proposed dissolution and issues raised by it; and
      (iii) 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.

Amended by Chapter 248, 2017 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 Second public hearing -- Dissolution resolution -- Limitations on dissolution.
(1) Within 180 days after the day on which the administrative body holds the public hearing
    described in Section 17B-1-1306, the administrative body shall hold a second public hearing
to:
   (i) publicly explain the result of the study and preparation described in Subsection
       17B-1-1306(2)(d)(i);
   (ii) describe whether the proposed dissolution meets each criterion described in Subsection (2);
       and
   (iii) adopt a resolution in accordance with Subsection (1)(b) or (c).
(b) Subject to Subsection (2), after a proposed dissolution petition has been certified under
    Section 17B-1-1305, the administrative body shall adopt a resolution:
   (i) certifying that the proposed dissolution satisfies the criteria described in Subsection (2); and
   (ii) (A) for an inactive local district, approving the dissolution of the local district; or
       (B) for an active local district, initiating the dissolution election described in Section
           17B-1-1309.
(c) Subject to Subsection (2), for a proposed dissolution of an inactive district that an
    administrative body initiates by adopting a resolution under Subsection 17B-1-1303(1)(b), the
    administrative body may adopt a resolution:
   (i) certifying that the proposed dissolution satisfies the criteria described in Subsection (2); and
   (ii) approving the dissolution of the inactive local district.
(2) The administrative body may not adopt a resolution under Subsection (1) 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:
          (A) provide the same service to the area being served or proposed to be served by the local
              district; and
(B) purchase, at fair market value, the assets of the local district that are required to provide
the service; 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 local district's rights, duties, privileges, and
responsibilities to another entity with the consent of the other parties to the contract.

Amended by Chapter 248, 2017 General Session

17B-1-1309 Election to dissolve an active local district.
(1) When an administrative body adopts a resolution to initiate a dissolution election under
Subsection 17B-1-1308(1)(b)(ii), an election shall be held on the question of whether the local
district should be dissolved by:
(a) if the local district proposed to be dissolved is located entirely within a single county, the local
district clerk, in cooperation with the county clerk; or
(b) if the local district proposed to be dissolved is located within more than one county, in
cooperation with the local district clerk:
(i) the clerk of each county where part of the local district is located in more than one
municipality or in an unincorporated area within the same county;
(ii) the clerk or recorder of each municipality where part of the local district is not located in
another municipality or in an unincorporated area within the same county; and
(iii) the clerk of each county where part of the local district is located only in an unincorporated
area within the county.
(2) Each election under Subsection (1) shall be held at the next special or regular general election
that is more than 60 days after the day on which the administrative body adopts a resolution in
accordance with Section 17B-1-1308.
(3)
(a) If the local district proposed to be dissolved is located in more than one county, the local
district clerk shall coordinate with the officials described in Subsection (1)(b) to ensure that
the election is held on the same date and in a consistent manner in each jurisdiction.
(b) The clerk of each county and the clerk or recorder of each municipality involved in an election
under Subsection (1) shall cooperate with the local district clerk in holding the election.
(4) If the local district proposed to be dissolved is an irrigation district under Title 17B, Chapter 2a,
Part 5, Irrigation District Act:
(a) the electors shall consist of the landowners whose land has allotments of water through the
district; and
(b) each elector may cast one vote for each acre-foot or fraction of an acre-foot of water allotted
to the land the elector owns within the district.
(5) If the local district proposed to be dissolved is a district created to acquire or assess a
groundwater right for the development and execution of a groundwater management plan in
accordance with Section 73-5-15:
(a) the electors shall consist of the owners of groundwater rights within the district; and
(b) each elector may cast one vote for each acre-foot or fraction of an acre-foot of groundwater
that is within the district and reflected in the elector's water right.
(6) If the local district proposed to be dissolved is a basic local district, except for a district
described in Subsection (5), and if the area of the basic local district contains less than one
residential unit per 50 acres of land at the time of the filing of a petition described in Subsection 17B-1-1303(2):
(a) the electors shall consist of the owners of privately owned real property within a basic local
district under Title 17B, Chapter 1, Part 14, Basic Local District; and
(b) each elector may cast one vote for each acre or fraction of an acre of land that the elector
owns within the district.
(7) Except as otherwise provided in this part, Title 20A, Election Code, governs each election
under Subsection (1).

Enacted by Chapter 248, 2017 General Session

17B-1-1310 Notice to lieutenant governor -- Recording requirements -- Distribution of
remaining assets.
(1) The administrative body, shall 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):
(a) within 30 days after the day on which the administrative body adopts a resolution approving
the dissolution of an inactive local district; or
(b) within 30 days after the day on which a majority of the voters within an active local
district approve the dissolution of the local district in an election described in Subsection
17B-1-1309(2).
(2) Upon the lieutenant governor's issuance of a certificate of dissolution under Section 67-1a-6.5,
the administrative body shall:
(a) if the local district was located within the boundary of a single county, submit to the recorder
of that county:
(i) the original:
(A) notice of an impending boundary action; and
(B) certificate of dissolution; and
(ii) a certified copy of the resolution that the administrative body adopts under Subsection
17B-1-1308(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:
(A) the original notice of an impending boundary action and certificate of dissolution; and
(B) if applicable, a certified copy of the resolution that the administrative body adopts under
Subsection 17B-1-1308(1); and
(ii) submit to the recorder of each other county:
(A) a certified copy of the notice of an impending boundary action and certificate of
dissolution; and
(B) if applicable, a certified copy of the resolution that the administrative body adopts under
Subsection 17B-1-1308(1).
(3) Upon the lieutenant governor's issuance of the certificate of dissolution under Section
67-1a-6.5, the local district is dissolved.
(4) (a) After the dissolution of a local district under this part, the administrative body shall use any
assets of the local district remaining after paying all debts and other obligations of the local
district to pay costs associated with the dissolution process.
(b) If the administrative body is not the board of trustees of the dissolved local district, the administrative body shall pay any costs of the dissolution process remaining after exhausting the remaining assets of the local district as described in Subsection (4)(a).

(c) If the administrative body is the board of trustees of the dissolved local district, each entity that has committed to provide a service that the dissolved local district previously provided, as described in Subsection 17B-1-1308(2)(b), shall pay, in the same proportion that the services the entity commits to provide bear to all of the services the local district provided, any costs of the dissolution process remaining after exhausting the remaining assets of the dissolved local district described in Subsection (4)(a).

(5)
(a) The administrative body shall distribute any assets of the local district that remain after the payment of debts, obligations, and costs under Subsection (4) in the following order of priority:
(i) if there is a readily identifiable connection between the remaining assets and a financial burden borne by the real property owners in the dissolved local district, proportionately to those real property owners;
(ii) if there is a readily identifiable connection between the remaining assets and a financial burden borne by the recipients of a service that the dissolved local district provided, proportionately to those recipients; and
(iii) subject to Subsection (6), to each entity that has committed to provide a service that the dissolved local district previously provided, as described in Subsection 17B-1-1309(1)(b) (ii), in the same proportion that the services the entity commits to provide bear to all of the services the local district provided.

(6) An entity that receives cash reserves of the dissolved local district under Subsection (5)(a)(iii) may not use the cash reserves:
(a) in any way other than for the purpose the local district originally intended; or
(b) in any area other than within the area that the dissolved local district previously served.

Enacted by Chapter 248, 2017 General Session

Part 14
Basic Local District

17B-1-1401 Status of and provisions applicable to a basic local district.
A basic local district:
(1) operates under, is subject to, and has the powers set forth in this chapter; and
(2) is not subject to Chapter 2a, Provisions Applicable to Different Types of Local Districts.

Enacted by Chapter 329, 2007 General Session

17B-1-1402 Board of trustees of a basic local district.
(1) As specified in a petition under Subsection 17B-1-203(1)(a) or (b) or a resolution under Subsection 17B-1-203(1)(d) or (e), and except as provided in Subsection (2), the members of a board of trustees of a basic local district may be:
(a)
(i) elected by registered voters; or
(ii) appointed by the responsible body, as defined in Section 17B-1-201; or
(b) if the area of the local district contains less than one residential dwelling unit per 50 acres of land at the time the resolution is adopted or the petition is filed, elected by the owners of real property within the local district based on:
(i) the amount of acreage owned by property owners;
(ii) the assessed value of property owned by property owners; or
(iii) water rights:
   (A) relating to the real property within the local district;
   (B) that the real property owner:
      (I) owns; or
      (II) has transferred to the local district.
(2) As specified in a groundwater right owner petition under Subsection 17B-1-203(1)(c) or a resolution under Subsection 17B-1-203(1)(d) or (e), the members of a board of trustees of a basic local district created to manage groundwater rights the district acquires or assesses under Section 17B-1-202 shall be:
(a) subject to Section 17B-1-104.5, elected by the owners of groundwater rights that are diverted within the local district;
(b) appointed by the responsible body, as defined in Section 17B-1-201; or
(c) elected or appointed as provided in Subsection (3).
(3) A petition under Subsection 17B-1-203(1)(a) or (b) and a resolution under Subsection 17B-1-203(1)(d) or (e) may provide for a transition from one or more methods of election or appointment under Subsection (1) or (2) to one or more other methods of election or appointment based upon milestones or events that the petition or resolution identifies.

Amended by Chapter 68, 2011 General Session