

Part 1

General Provisions

17D-1-101 Title.

- (1) This title is known as "Limited Purpose Local Government Entities - Other Entities."
- (2) This chapter is known as the "Special Service District Act."

Enacted by Chapter 360, 2008 General Session

17D-1-102 Definitions.

As used in this chapter:

- (1) "Adequate protests" means written protests timely filed by:
 - (a) the owners of private real property that:
 - (i) is located within the applicable area;
 - (ii) covers at least 25% of the total private land area within the applicable area; and
 - (iii) is equal in value to at least 15% of the value of all private real property within the applicable area; or
 - (b) 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 or filing of the petition.
- (2) "Applicable area" means:
 - (a) for a proposal to create a special service district, the area included within the proposed special service district;
 - (b) for a proposal to annex an area to an existing special service district, the area proposed to be annexed;
 - (c) for a proposal to add a service to the service or services provided by a special service district, the area included within the special service district; and
 - (d) for a proposal to consolidate special service districts, the area included within each special service district proposed to be consolidated.
- (3) "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 special service 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.
- (4) "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 county or municipality that created the special service district that issues the bond; and
 - (B) on taxable property within the special service district; and
 - (ii) in excess of the ad valorem property taxes 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.
- (5) "Governing body" means:

- (a) the legislative body of the county or municipality that creates the special service district, to the extent that the county or municipal legislative body has not delegated authority to an administrative control board created under Section 17D-1-301; or
 - (b) the administrative control board of the special service district, to the extent that the county or municipal legislative body has delegated authority to an administrative control board created under Section 17D-1-301.
- (6) "Guaranteed bonds" means bonds:
- (a) issued by a special service district; and
 - (b) the debt service of which is guaranteed by one or more taxpayers owning property within the special service district.
- (7) "Revenue bond":
- (a) means a bond payable from designated taxes or other revenues other than the ad valorem property taxes of the county or municipality that created the special service district; 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.
- (8) "Seasonally occupied home" means a single-family residence:
- (a) that is located within the special service district;
 - (b) that receives service from the special service district; and
 - (c) whose owner occupies the residence on a temporary or seasonal basis, rather than as the principal place of residence as defined in Section 20A-2-105.
- (9) "Special assessment" means an assessment levied against property to pay all or a portion of the costs of making improvements that benefit the property.
- (10) "Special assessment bond" means a bond payable from special assessments.
- (11) "Special district" has the same meaning as that term is defined in Section 17B-1-102.
- (12) "Special service district" means a limited purpose local government entity, as described in Section 17D-1-103, that:
- (a) is created under authority of the Utah Constitution Article XI, Section 7; and
 - (b) operates under, is subject to, and has the powers set forth in this chapter.
- (13) "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.

Amended by Chapter 15, 2023 General Session

Amended by Chapter 100, 2023 General Session

17D-1-103 Special service district status, powers, and duties -- Registration as a limited purpose entity -- Limitation on districts providing jail service.

- (1) A special service district:
- (a) is:
 - (i) a body corporate and politic with perpetual succession, separate and distinct from the county or municipality that creates it;
 - (ii) a quasi-municipal corporation; and
 - (iii) a political subdivision of the state; and
 - (b) may sue and be sued.

(2) A special service district may:

- (a) exercise the power of eminent domain possessed by the county or municipality that creates the special service district;
- (b) enter into a contract that the governing authority considers desirable to carry out special service district functions, including a contract:
 - (i) with the United States or an agency of the United States, the state, an institution of higher education, a county, a municipality, a school district, a special district, another special service district, or any other political subdivision of the state; or
 - (ii) that includes provisions concerning the use, operation, and maintenance of special service district facilities and the collection of fees or charges with respect to commodities, services, or facilities that the district provides;
- (c) acquire or construct facilities;
- (d) acquire real or personal property, or an interest in real or personal property, including water and water rights, whether by purchase, lease, gift, devise, bequest, or otherwise, and whether the property is located inside or outside the special service district, and own, hold, improve, use, finance, or otherwise deal in and with the property or property right;
- (e) sell, convey, lease, exchange, transfer, or otherwise dispose of all or any part of the special service district's property or assets, including water and water rights;
- (f) mortgage, pledge, or otherwise encumber all or any part of the special service district's property or assets, including water and water rights;
- (g) enter into a contract with respect to the use, operation, or maintenance of all or any part of the special service district's property or assets, including water and water rights;
- (h) accept a government grant or loan and comply with the conditions of the grant or loan;
- (i) use an officer, employee, property, equipment, office, or facility of the county or municipality that created the special service district, subject to reimbursement as provided in Subsection (4);
- (j) employ one or more officers, employees, or agents, including one or more engineers, accountants, attorneys, or financial consultants, and establish their compensation;
- (k) designate an assessment area and levy an assessment as provided in Title 11, Chapter 42, Assessment Area Act;
- (l) contract with a franchised, certificated public utility for the construction and operation of an electrical service distribution system within the special service district;
- (m) borrow money and incur indebtedness;
- (n) as provided in Part 5, Special Service District Bonds, issue bonds for the purpose of acquiring, constructing, and equipping any of the facilities required for the services the special service district is authorized to provide, including:
 - (i) bonds payable in whole or in part from taxes levied on the taxable property in the special service district;
 - (ii) bonds payable from revenues derived from the operation of revenue-producing facilities of the special service district;
 - (iii) bonds payable from both taxes and revenues;
 - (iv) guaranteed bonds, payable in whole or in part from taxes levied on the taxable property in the special service district;
 - (v) tax anticipation notes;
 - (vi) bond anticipation notes;
 - (vii) refunding bonds;
 - (viii) special assessment bonds; and

- (ix) bonds payable in whole or in part from mineral lease payments as provided in Section 11-14-308;
 - (o) except as provided in Subsection (5), impose fees or charges or both for commodities, services, or facilities that the special service district provides;
 - (p) provide to an area outside the special service district's boundary, whether inside or outside the state, a service that the special service district is authorized to provide within its boundary, if the governing body makes a finding that there is a public benefit to providing the service to the area outside the special service district's boundary;
 - (q) provide other services that the governing body determines will more effectively carry out the purposes of the special service district; and
 - (r) adopt an official seal for the special service district.
- (3)
- (a) Each special service district shall register and maintain the special service district's registration as a limited purpose entity, in accordance with Section 67-1a-15.
 - (b) A special service district that fails to comply with Subsection (3)(a) or Section 67-1a-15 is subject to enforcement by the state auditor, in accordance with Section 67-3-1.
- (4)
- (a) Each special service district that uses an officer, employee, property, equipment, office, or facility of the county or municipality that created the special service district shall reimburse the county or municipality a reasonable amount for what the special service district uses.
 - (b) The amount invoiced for what the special service district uses under Subsection (4)(a) may not exceed the actual documented cost incurred, without markup, by the county or municipality.
- (5)
- (a) A special service district that provides jail service as provided in Subsection 17D-1-201(10) may not impose a fee or charge for the service it provides.
 - (b) Subsection (5)(a) may not be construed to limit a special service district that provides jail service from:
 - (i) entering into a contract with the federal government, the state, or a political subdivision of the state to provide jail service for compensation; or
 - (ii) receiving compensation for jail service it provides under a contract described in Subsection (5)(b)(i).

Amended by Chapter 382, 2024 General Session

17D-1-104 Property owner provisions -- Determination of registered voters.

- (1) For purposes of this chapter:
- (a) the owner of real property is:
 - (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 petition or protest; or
 - (ii) for a proposed annexation or addition of a new service under Part 4, Annexing a New Area and Adding a New Service, the lessee of military land, as defined in Section 63H-1-102, if the area proposed to be annexed or within which a new service is proposed to be added 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 is determined according to the last assessment before the filing of the petition or protest, as determined by:

- (i)
 - (A) the county under Title 59, Chapter 2, Part 3, County Assessment, for property subject to assessment by the county; or
 - (B) the State Tax Commission under Title 59, Chapter 2, Part 2, Assessment of Property, for property subject to assessment by the State Tax Commission; and
 - (ii) the county, for all other property.
- (2) For purposes of each provision of this chapter that requires the owners of private real property covering a percentage of the total private land area within the applicable area to sign a petition or protest:
- (a) a parcel of real property may not be included in the calculation of the required percentage unless the petition or protest 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 petition or protest 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 petition or protest with the person's signature; and
 - (ii) the person provides documentation accompanying the petition or protest that reasonably substantiates the person's representative capacity; and
 - (c) subject to Subsection (2)(b), a duly appointed personal representative may sign a petition or protest on behalf of a deceased owner.
- (3) For purposes of this chapter, registered voters shall be determined according to the official register.

Amended by Chapter 92, 2009 General Session

17D-1-105 Authority of county or municipality to levy property tax on property within a special service district.

- (1) Subject to Subsections (2) and (3), a county or municipality that has created a special service district may levy a tax on the taxable property in the special service district.
- (2) Each levy under Subsection (1) is subject to the prior approval of a majority of the registered voters of the special service district voting in an election held for that purpose under Title 11, Chapter 14, Local Government Bonding Act, in the same manner as for an election for the issuance of bonds.
- (3) A tax levied under this section for a special service district that provides jail service as provided in Subsection 17D-1-201(10) is considered to be levied by the county for purposes of the county's tax limitation under Section 59-2-908.

Enacted by Chapter 360, 2008 General Session

17D-1-106 Special service districts subject to other provisions.

- (1) A special service district is, to the same extent as if it were a special district, subject to and governed by:
 - (a)

- (i) Sections 17B-1-105, 17B-1-107, 17B-1-108, 17B-1-110, 17B-1-111, 17B-1-113, 17B-1-116, 17B-1-118, 17B-1-119, 17B-1-120, 17B-1-121, 17B-1-304, 17B-1-307, 17B-1-310, 17B-1-311, 17B-1-312, 17B-1-313, and 17B-1-314; and
 - (ii) Sections 17B-1-305 and 17B-1-306, to the extent that a county legislative body or a municipal legislative body, as applicable, has delegated authority to an administrative control board with elected members, under Section 17D-1-301.
- (b) Subsections:
- (i) 17B-1-301(3) and (4); and
 - (ii) 17B-1-303(1), (2)(a) and (b), (3), (4), (5), (6), (7), and (9);
- (c) Section 20A-1-512;
- (d) Title 17B, Chapter 1, Part 6, Fiscal Procedures for Special Districts;
- (e) Title 17B, Chapter 1, Part 7, Special District Budgets and Audit Reports;
- (f) Title 17B, Chapter 1, Part 8, Special District Personnel Management; and
- (g) Title 17B, Chapter 1, Part 9, Collection of Service Fees and Charges.
- (2) For purposes of applying the provisions listed in Subsection (1) to a special service district, each reference in those provisions to the special district board of trustees means the governing body.

Amended by Chapter 15, 2023 General Session

17D-1-107 Contracts subject to building improvement and public works provisions.

- (1) For each special service district created by a county, the legislative body of that county shall by ordinance designate the classes of special service district contracts that are subject to the requirements of Title 11, Chapter 39, Building Improvements and Public Works Projects.
- (2) For each special service district created by a municipality, the legislative body of that municipality shall by ordinance designate the classes of special service district contracts that are subject to the requirements of Title 11, Chapter 39, Building Improvements and Public Works Projects.

Enacted by Chapter 360, 2008 General Session

17D-1-108 Conflict.

If a provision of this chapter conflicts with any other statutory provision, the provision of this chapter controls.

Enacted by Chapter 360, 2008 General Session

17D-1-109 Validation of previously created special service districts.

Each special service district created before May 5, 2008 is validated, ratified, and confirmed and declared to be validly existing.

Enacted by Chapter 360, 2008 General Session