

1 **DISSOLUTION OF SPECIAL SERVICE**

2 **DISTRICTS**

3 2000 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Thomas V. Hatch**

6 AN ACT RELATING TO SPECIAL DISTRICTS; PROVIDING A PROCEDURE FOR
7 DISSOLVING A SPECIAL SERVICE DISTRICT INITIATED BY PROPERTY OWNERS OR
8 VOTERS; AND MAKING TECHNICAL CHANGES.

9 This act affects sections of Utah Code Annotated 1953 as follows:

10 AMENDS:

11 **17A-2-1329**, as renumbered and amended by Chapter 186, Laws of Utah 1990

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

13 Section 1. Section **17A-2-1329** is amended to read:

14 **17A-2-1329. Dissolution of district -- Withdrawal of area from district.**

15 (1) ~~[(A)]~~ (a) Except as provided in Subsection (2), a special service district may not be
16 dissolved ~~[nor areas]~~ and an area may not be withdrawn from the district if:

17 (i) any bonds, notes, or other obligations of the district are outstanding and unpaid; or [if]

18 (ii) any contractual obligation to provide [the] services exists.

19 ~~[(2)]~~ (b) Subject to ~~[the limitation in]~~ Subsection (1)(a), the governing authority of the
20 special service district may by resolution:

21 ~~[(a)]~~ (i) dissolve the district upon a determination that the district is no longer needed for
22 the purposes for which it was formed; or

23 ~~[(b)]~~ (ii) withdraw a specifically described ~~[areas]~~ area from the special service district
24 upon [a] the governing body's determination that ~~[these areas]~~ the area should not or cannot be
25 supplied with the services of the special service district.

26 (2) (a) The governing authority of a special service district shall arrange for an election to
27 be held on the question of whether the district should be dissolved if a petition requesting

28 dissolution is filed with the governing authority and signed by:

29 (i) at least 10% of the registered voters within the special service district; or

30 (ii) the owners of at least 10% of the value of taxable real property within the special
31 service district.

32 (b) Each election under Subsection (2)(a) shall be held on the next regular general or
33 municipal general election date that is more than 60 days after the filing of the petition requesting
34 dissolution and, except as provided in this section, shall be governed by Title 20A, Elections.

35 (c) If two-thirds of those voting on the dissolution question vote in favor of dissolution,
36 the governing authority shall, subject to Subsection (2)(d):

37 (i) in as short a time as practicable and prudent, wind down the affairs of the special
38 service district; and

39 (ii) as soon as winding down is complete, adopt a resolution dissolving the special service
40 district.

41 (d) (i) Dissolution under this Subsection (2) shall be subject to any outstanding bonds or
42 other contractual obligations of the special service district.

43 (ii) If the special service district has outstanding bonds or other contractual obligations at
44 the time of an election under Subsection (2)(a) in favor of dissolution, the governing authority shall
45 take all necessary action in the winding down process to provide for fulfilling all bond and other
46 contractual obligations before dissolution may occur.

Legislative Review Note
as of 2-4-00 10:29 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel