

EXCLUSION OF TERRITORY FROM COUNTY

SERVICE AREA

2000 GENERAL SESSION

STATE OF UTAH

Sponsor: Parley Hellewell

AN ACT RELATING TO SPECIAL DISTRICTS; AMENDING COUNTY SERVICE AREA PROVISIONS; **h FOR COUNTY SERVICE AREAS LOCATED IN CERTAIN COUNTIES, h** ALLOWING THE EXCLUSION OF COUNTY SERVICE AREA TERRITORY BY BOARD RESOLUTION WHEN THE TERRITORY IS INCLUDED IN A MUNICIPAL ANNEXATION OR INCORPORATION; AND MAKING TECHNICAL CHANGES.

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

AMENDS:

17A-2-418, as last amended by Chapter 227, Laws of Utah 1993

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

Section 1. Section **17A-2-418** is amended to read:

17A-2-418. Annexation of all or part of county service area into city or town -- Petition and election on exclusion -- Exclusion resolution -- Exclusion of territory from area -- Unencumbered funds -- Service area facilities.

(1) (a) If all or any portion of a county service area is annexed into an incorporated city or town, the annexed territory may not be excluded from the county service area unless:

(i) a petition is filed under Subsection (1)(b) with the governing body of the city or town requesting that the territory described in the petition be excluded from the service area; or

(ii) **h FOR A COUNTY SERVICE AREA THAT IS NOT LOCATED WITHIN A COUNTY OF THE FIRST CLASS, h** the county service area board of trustees adopts a resolution excluding the annexed territory from the county service area.

(b) [~~The~~] (i) Each petition under Subsection (1)(a)(i) shall be signed by:

[(~~+~~)] (A) property owners owning taxable property in the territory to be excluded from the service area that has a taxable value in excess of 40% of the taxable value of all taxable property within the area to be excluded, according to the last assessment roll for county taxes completed

28 prior to the date of filing of the petition; or

29 ~~[(ii)]~~ (B) 25% of the registered voters residing within the territory to be excluded.

30 ~~[(c)]~~ (ii) Upon receipt and verification of the validity of ~~[the]~~ a petition under Subsection
 31 (1)(a)(i), the governing body of the city or town shall, at the next general election, place the
 32 following proposition before the qualified voters residing within that portion of the city or town
 33 lying within the boundaries of the county service area as described in the petition: "Shall the
 34 territory lying within (name of city or town) which is also within the boundaries of (name of
 35 county service area) be excluded from (name of county service area)?"

36 ~~[(d)]~~ (iii) If a majority of the qualified voters cast their ballots in favor of excluding the
 37 territory from the county service area, the territory within the county service area that is included
 38 within the city or town is excluded from the county service area, effective as of the date of election.

39 ~~[(e)]~~ (iv) If a majority of the qualified voters cast their ballots against excluding the
 40 territory lying within the city or town from the county service area, the territory shall remain within
 41 the service area.

42 (c) (i) ~~h [At least ten days before adopting a resolution under Subsection (1)(a)(ii), the county~~
 43 ~~service area] THE h board of trustees h OF A COUNTY SERVICE AREA THAT IS NOT LOCATED IN A~~
 43a ~~COUNTY OF THE FIRST CLASS h shall h [give written] PROVIDE ADVANCE h notice of the board's~~
 43b ~~intent to adopt an exclusion~~
 44 ~~resolution h UNDER SUBSECTION (1)(a)(ii) BY:~~

44a ~~(A) AT LEAST 45 DAYS BEFORE ADOPTING A RESOLUTION, GIVING WRITTEN NOTICE h to~~
 44b ~~the legislative body of the municipality that annexed the county service area territory~~
 45 ~~proposed to be excluded h ; AND~~

45a ~~(B) PUBLISHING A NOTICE IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN THE~~
 45b ~~COUNTY SERVICE AREA AT LEAST ONCE A WEEK FOR TWO CONSECUTIVE WEEKS, THE LAST~~
 45c ~~PUBLICATION BEING NO MORE THAN TEN DAYS BEFORE ADOPTING A RESOLUTION h .~~

46 ~~(ii) Upon adoption of a resolution under Subsection (1)(a)(ii) excluding annexed territory~~
 47 ~~from the county service area, the territory within the county service area included within the~~
 48 ~~annexing municipality is excluded from the county service area.~~

49 (2) (a) If all or any portion of a county service area is included within a newly incorporated
 50 city or town, that territory may not be excluded from the county service area unless;

51 (i) a petition is filed under Subsection (2)(b) with the governing body of the city or town,
 52 requesting that the territory be excluded from the county service area; or

53 (ii) ~~h~~ **FOR A COUNTY SERVICE AREA THAT IS NOT LOCATED WITHIN A COUNTY OF THE**
53a **FIRST CLASS, h** the county service area board of trustees adopts a resolution excluding the territory
54 from the county service area.

55 (b) [~~The~~] (i) Each petition under Subsection (2)(a)(i) shall be signed by:

56 [~~(+)~~] (A) owners of taxable property in the territory to be excluded from the service area
57 that has a taxable value in excess of 40% of the taxable value of all taxable property within the
58 area to be excluded, according to the last assessment roll for county taxes completed prior to the

59 date of filing of the petition; or

60 [(ti)] (B) by 25% of the registered voters residing within the territory to be excluded.

61 [(e)] (ii) Upon receipt and verification of the validity of the petition, the governing body
62 of the city or town shall, at the next general election, place the following proposition before the
63 qualified voters residing within that portion of the city or town lying within the boundaries of the
64 county service area: "Shall all territory lying within (name of city or town) which is also within the
65 boundaries of (name of county service area) be excluded from (name of county service area)?"

66 [(d)] (iii) If a majority of the qualified voters cast their ballots in favor of excluding the
67 territory from the county service area, the territory within the county service area that is included
68 within the city or town shall be excluded from the county service area, effective as of the date of
69 the election.

70 [(e)] (iv) If a majority of the qualified voters cast their ballots against excluding the
71 territory lying within the city or town from the county service area, the territory shall remain within
72 the county service area.

73 (c) (i) ~~h [At least ten days before adopting a resolution under Subsection (2)(a)(ii), the county~~
74 ~~service area] THE h board of trustees h OF A COUNTY SERVICE AREA THAT IS NOT LOCATED IN A~~
74a ~~COUNTY OF THE FIRST CLASS h shall h [give written] PROVIDE ADVANCE h notice of the board's~~
74b ~~intent to adopt an exclusion~~
75 ~~resolution h UNDER SUBSECTION (2)(a)(ii) BY:~~

75a ~~(A) AT LEAST 45 DAYS BEFORE ADOPTING A RESOLUTION, GIVING WRITTEN NOTICE h to~~
75b ~~the legislative body of the municipality whose incorporation included the county~~
76 ~~service area territory proposed to be excluded h ; AND~~

76a ~~(B) PUBLISHING A NOTICE IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN THE~~
76b ~~COUNTY SERVICE AREA AT LEAST ONCE A WEEK FOR TWO CONSECUTIVE WEEKS, THE LAST~~
76c ~~PUBLICATION BEING NO MORE THAN TEN DAYS BEFORE ADOPTING A RESOLUTION h .~~

77 (ii) Upon adoption of a resolution under Subsection (1)(a)(ii) excluding territory from the
78 county service area, the territory within the county service area included within the municipality
79 is excluded from the county service area.

80 (3) (a) For purposes of this section, "unencumbered funds" means the sums of money,
81 uncollected taxes, and other uncollected accounts due a county service area, in excess of an amount
82 sufficient to pay all claims.

83 (b) When territory is excluded from a county service area, all unencumbered funds

84 standing to the credit of the county service area upon the date of the exclusion shall be divided
85 between the incorporated area and the county service area in proportion to the taxable value of the
86 taxable property of the territory excluded and the portion remaining within the county service area
87 if the incorporated area within which the excluded area is located:

- 88 (i) undertakes to provide the services previously provided by the service area; and
- 89 (ii) assumes a proportionate share of the debt, both bonded and otherwise, of the service

90 area.

91 (c) The outstanding debts of the service area shall be divided between the incorporated
92 area and the service area based upon the same formula and same proportion specified in Subsection
93 (3)(b).

94 (d) (i) If, at the time of the exclusion of any territory from a county service area, the county
95 service area has outstanding indebtedness payable from taxes, the exclusion shall relieve the
96 excluded territory from liability for the payment of taxes for any indebtedness except as specified
97 in this Subsection (3)(d).

98 (ii) The excluded area may be taxed to pay voted indebtedness existing at the time of
99 exclusion, but only to the extent, and only in the years where, it is necessary to levy that tax in the
100 excluded area in order to forestall or prevent a default in the payment of principal and interest on
101 that indebtedness.

102 (iii) If the county legislative body levies those taxes, the county treasurer shall collect them
103 as other county taxes are collected.

104 (4) If the area annexed into an incorporated area and excluded from the service area
105 encompasses service area facilities, the county service area shall continue to own and operate those
106 facilities so that the service area's ability to provide services and facilities to the residents and
107 occupants of the service area is unabated and undiminished.

Legislative Review Note
as of 9-20-99 3:33 PM

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

Office of Legislative Research and General Counsel