

Senator L. Steven Poulton proposes to substitute the following bill:

ANNEXATION AMENDMENTS

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: Marda Dillree

This act modifies provisions of the Utah Municipal Code relating to municipal annexations.

The act establishes an annexation procedure for counties of the second, third, fourth, fifth, and sixth classes that is different from that for counties of the first class. The act requires

municipalities within counties of the second, third, fourth, fifth, and sixth classes to adopt

an annexation policy plan before future annexations after a certain date may occur. The act

eliminates the feasibility study requirement for annexations of areas in a county of the

second, third, fourth, fifth, and sixth classes. The act allows an owner of nonfederal public

property to file an annexation petition. The act restricts annexations from taking place in

counties of the first class for a specified period, with certain exceptions. The act enacts

uncodified material that requires first class counties and cities within first class counties to

prepare a plan for annexations within the county and to submit the plan to the Legislative

Management Committee. The act also makes technical changes.

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

AMENDS:

10-2-401, as repealed and reenacted by Chapter 389, Laws of Utah 1997

10-2-402, as repealed and reenacted by Chapter 389, Laws of Utah 1997

10-2-403, as last amended by Chapter 205, Laws of Utah 1999

10-2-405, as last amended by Chapter 193, Laws of Utah 2000

10-2-406, as repealed and reenacted by Chapter 389, Laws of Utah 1997

10-2-407, as last amended by Chapter 193, Laws of Utah 2000

10-2-408, as last amended by Chapter 193, Laws of Utah 2000



- 26 **10-2-409**, as repealed and reenacted by Chapter 389, Laws of Utah 1997
- 27 **10-2-410**, as repealed and reenacted by Chapter 389, Laws of Utah 1997
- 28 **10-2-411**, as last amended by Chapter 21, Laws of Utah 1999
- 29 **10-2-412**, as repealed and reenacted by Chapter 389, Laws of Utah 1997
- 30 **10-2-413**, as last amended by Chapter 21, Laws of Utah 1999
- 31 **10-2-414**, as last amended by Chapter 21, Laws of Utah 1999
- 32 **10-2-415**, as last amended by Chapter 21, Laws of Utah 1999
- 33 **10-2-416**, as last amended by Chapter 1, Laws of Utah 2000
- 34 **10-2-421**, as repealed and reenacted by Chapter 389, Laws of Utah 1997
- 35 **10-2-426**, as enacted by Chapter 337, Laws of Utah 1998

36 ENACTS:

- 37 **10-2-401.5**, Utah Code Annotated 1953
- 38 **10-2-409.5**, Utah Code Annotated 1953

39 REPEALS:

- 40 **10-2-404**, as last amended by Chapter 193, Laws of Utah 2000

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

42 Section 1. Section **10-2-401** is amended to read:

43 **10-2-401. Definitions -- Property owner provisions.**

44 (1) As used in this part:

45 (a) "Affected entity" means:

46 (i) a county in whose unincorporated area the area proposed for annexation is located;

47 (ii) an independent special district under Title 17A, Chapter 2, Independent Special

48 Districts, whose boundaries include any part of an area proposed for annexation;

49 (iii) a school district whose boundaries include any part of an area proposed for
50 annexation; and

51 (iv) a municipality whose boundaries are within 1/2 mile of an area proposed for
52 annexation.

53 [~~(a)~~] (b) "Annexation petition" means a petition under Section 10-2-403 proposing the
54 annexation to a municipality of a contiguous, unincorporated area that is contiguous to the
55 municipality.

56 [~~(b)~~] (c) "Commission" means a boundary commission established under Section 10-2-409

57 for the county in which the property that is proposed for annexation is located.

58 (d) "Expansion area" means the unincorporated area that is identified in an annexation
59 policy plan under Section 10-2-401.5 as the area that the municipality anticipates annexing in the
60 future.

61 [~~(e)~~] (e) "Feasibility consultant" means a person or firm with expertise in the processes and
62 economics of local government.

63 [~~(f)~~] (f) "Municipal selection committee" means a committee in each county composed
64 of the mayor of each municipality within that county.

65 [~~(g)~~] (g) "Private," with respect to real property, means not owned by the United States or
66 any agency of the federal government, the state, a county, a municipality, a school district, a special
67 district under Title 17A, Special Districts, or any other political subdivision or governmental entity
68 of the state.

69 (h) "Specified county" means a county of the second, third, fourth, fifth, or sixth class.

70 (i) "Urban development" means:

71 (i) a housing development with more than 15 residential units and an average density
72 greater than one residential unit per acre; or

73 (ii) a commercial or industrial development for which cost projections exceed \$750,000
74 for all phases.

75 (2) For purposes of this part:

76 (a) the owner of real property shall be the record title owner according to the records of
77 the county recorder on the date of the filing of the petition or protest; and

78 (b) the value of private real property shall be determined according to the last assessment
79 roll for county taxes before the filing of the petition or protest.

80 (3) For purposes of each provision of this part that requires the owners of private real
81 property covering a percentage or majority of the total private land area within an area to sign a
82 petition or protest:

83 (a) a parcel of real property may not be included in the calculation of the required
84 percentage or majority unless the petition or protest is signed by:

85 (i) except as provided in Subsection (3)(a)(ii), owners representing a majority ownership
86 interest in that parcel; or

87 (ii) if the parcel is owned by joint tenants or tenants by the entirety, 50% of the number

88 of owners of that parcel;

89 (b) the signature of a person signing a petition or protest in a representative capacity on
90 behalf of an owner is invalid unless:

91 (i) the person's representative capacity and the name of the owner the person represents
92 are indicated on the petition or protest with the person's signature; and

93 (ii) the person provides documentation accompanying the petition or protest that
94 substantiates the person's representative capacity; and

95 (c) subject to Subsection (3)(b), a duly appointed personal representative may sign a
96 petition or protest on behalf of a deceased owner.

97 Section 2. Section **10-2-401.5** is enacted to read:

98 **10-2-401.5. Annexation policy plan.**

99 (1) After December 31, 2002, no municipality may annex an unincorporated area located
100 within a specified county unless the municipality has adopted an annexation policy plan as
101 provided in this section.

102 (2) To adopt an annexation policy plan:

103 (a) the planning commission shall:

104 (i) prepare a proposed annexation policy plan that complies with Subsection (3);

105 (ii) hold a public meeting to allow affected entities to examine the proposed annexation
106 policy plan and to provide input on it;

107 (iii) provide notice of the public meeting under Subsection (2)(a)(ii) to each affected entity
108 at least 14 days before the meeting;

109 (iv) accept and consider any additional written comments from affected entities until ten
110 days after the public meeting under Subsection (2)(a)(ii);

111 (v) before holding the public hearing required under Subsection (2)(a)(vi), make any
112 modifications to the proposed annexation policy plan the planning commission considers
113 appropriate, based on input provided at or within ten days after the public meeting under
114 Subsection (2)(a)(ii);

115 (vi) hold a public hearing on the proposed annexation policy plan;

116 (vii) provide reasonable public notice, including notice to each affected entity, of the
117 public hearing required under Subsection (2)(a)(vi) at least 14 days before the date of the hearing;

118 (viii) make any modifications to the proposed annexation policy plan the planning

119 commission considers appropriate, based on public input provided at the public hearing; and
120 (ix) submit its recommended annexation policy plan to the municipal legislative body; and
121 (b) the municipal legislative body shall:
122 (i) hold a public hearing on the annexation policy plan recommended by the planning
123 commission;
124 (ii) provide reasonable notice, including notice to each affected entity, of the public
125 hearing at least 14 days before the date of the hearing;
126 (iii) after the public hearing under Subsection (2)(b)(ii), make any modifications to the
127 recommended annexation policy plan that the legislative body considers appropriate; and
128 (iv) adopt the recommended annexation policy plan, with or without modifications.
129 (3) Each annexation policy plan shall include:
130 (a) a map of the expansion area which may include territory located outside the county in
131 which the municipality is located;
132 (b) a statement of the specific criteria that will guide the municipality's decision whether
133 or not to grant future annexation petitions, addressing matters relevant to those criteria including:
134 (i) the character of the community;
135 (ii) the need for municipal services in developed and undeveloped unincorporated areas;
136 (iii) the municipality's plans for extension of municipal services;
137 (iv) how the services will be financed;
138 (v) an estimate of the tax consequences to residents both currently within the municipal
139 boundaries and in the expansion area; and
140 (vi) the interests of all affected entities;
141 (c) justification for excluding from the expansion area any area containing urban
142 development within 1/2 mile of the municipality's boundary; and
143 (d) a statement addressing any comments made by affected entities at or within ten days
144 after the public meeting under Subsection (2)(a)(ii).
145 (4) In developing, considering, and adopting an annexation policy plan, the planning
146 commission and municipal legislative body shall:
147 (a) attempt to avoid gaps between or overlaps with the expansion areas of other
148 municipalities;
149 (b) consider population growth projections for the municipality and adjoining areas for the

150 next 20 years;

151 (c) consider current and projected costs of infrastructure, urban services, and public
152 facilities necessary;

153 (i) to facilitate full development of the area within the municipality; and

154 (ii) to expand the infrastructure, services, and facilities into the area being considered for
155 inclusion in the expansion area;

156 (d) consider, in conjunction with the municipality's general plan, the need over the next
157 20 years for additional land suitable for residential, commercial, and industrial development;

158 (e) consider the reasons for including agricultural lands, forests, recreational areas, and
159 wildlife management areas in the municipality; and

160 (f) be guided by the principles set forth in Subsection 10-2-403(5).

161 (5) Within 30 days after adopting an annexation policy plan, the municipal legislative body
162 shall submit a copy of the plan to the legislative body of each county in which any of the
163 municipality's expansion area is located.

164 (6) Nothing in this chapter may be construed to prohibit or restrict two or more
165 municipalities in specified counties from negotiating and cooperating with respect to defining each
166 municipality's expansion area under an annexation policy plan.

167 Section 3. Section **10-2-402** is amended to read:

168 **10-2-402. Annexation -- Limitations.**

169 (1) (a) A contiguous, unincorporated area that is contiguous to a municipality may be
170 annexed to the municipality as provided in this part.

171 (b) An unincorporated area may not be annexed to a municipality unless:

172 (i) it is a contiguous area;

173 (ii) it is contiguous to the municipality; [~~and~~]

174 (iii) except as provided in Subsection 10-2-418(1)(b), annexation will not leave or create
175 an unincorporated island or peninsula; and

176 (iv) for an area located in a specified county with respect to an annexation that occurs after
177 December 31, 2002, the area is within the proposed annexing municipality's expansion area .

178 (2) Except as provided in Section 10-2-418, a municipality may not annex an
179 unincorporated area unless a petition under Section 10-2-403 is filed requesting annexation.

180 (3) An annexation under this part may not include part of a parcel of real property and

181 exclude part of that same parcel unless the owner of that parcel has signed the annexation petition
182 under Section 10-2-403.

183 (4) A municipality may not annex an unincorporated area in a specified county for the sole
184 purpose of acquiring municipal revenue or to retard the capacity of another municipality to annex
185 the same or a related area unless the municipality has the ability and intent to benefit the annexed
186 area by providing municipal services to the annexed area.

187 (5) The legislative body of a specified county may not approve urban development within
188 a municipality's expansion area unless:

189 (a) the county notifies the municipality of the proposed development; and

190 (b) (i) the municipality consents in writing to the development; or

191 (ii) (A) within 90 days after the county's notification of the proposed development, the
192 municipality submits to the county a written objection to the county's approval of the proposed
193 development; and

194 (B) the county responds in writing to the municipality's objections.

195 (6) (a) Except as provided in Subsection (6)(b), no annexation petition under this part may
196 be filed with a municipality located within a county of the first class on or after April 30, 2001
197 until after November 15, 2001, and no municipality located in a county of the first class may accept
198 an annexation petition under this part during that time.

199 (b) Notwithstanding Subsection (6)(a), an annexation petition may be filed with a
200 municipality located within a county of the first class and a municipality located in a county of the
201 first class may accept an annexation petition from April 30, 2001 to November 15, 2001 if the
202 requirements of Subsection 10-2-405(1)(b) are met.

203 (c) Nothing in this Subsection (6) may be construed to affect an annexation proceeding
204 initiated by a petition filed before April 30, 2001.

205 Section 4. Section **10-2-403** is amended to read:

206 **10-2-403. Annexation petition -- Requirements.**

207 (1) Except as provided in Section 10-2-418, the process to annex an unincorporated area
208 to a municipality is initiated by a petition as provided in this section.

209 (2) Each petition under Subsection (1) shall:

210 (a) be filed with the city recorder or town clerk, as the case may be, of the proposed
211 annexing municipality;

212 (b) contain the signatures of:

213 (i) the owners of private real property that:

214 [(i)] (A) is located within the area proposed for annexation;

215 [(ii)(A)] (B)(I) subject to Subsection (2)(b)[(i)](i)(B)(II), covers a majority of the private

216 land area within the area proposed for annexation; and

217 [(B)] (II) covers 100% of the private land area within the area proposed for annexation,

218 if the area is within an agriculture protection area created under Title 17, Chapter 41, Agriculture

219 Protection Area; and

220 [(iii)] (C) is equal in value to at least 1/3 of the value of all private real property within the

221 area proposed for annexation; or

222 (ii) if all the real property within the area proposed for annexation is owned by a public

223 entity other than the federal government, the owner of all the publicly owned real property;

224 (c) be accompanied by an accurate ~~[plat or]~~ and recordable map, prepared by a licensed

225 surveyor, of the area proposed for annexation; and

226 (d) designate up to five of the signers of the petition as sponsors, one of whom shall be

227 designated as the contact sponsor, and indicate the mailing address of each sponsor.

228 (3) A petition under Subsection (1) may not propose the annexation of all or part of an area

229 proposed for annexation to a municipality in a previously filed petition that has not been denied,

230 rejected, or granted.

231 (4) A petition under Subsection (1) proposing the annexation of an area located in a county

232 of the first class may not propose the annexation of an area that includes some or all of an area

233 proposed to be incorporated in a request for a feasibility study under Section 10-2-103 or a petition

234 under Section 10-2-125 if:

235 (a) the request or petition was filed before the filing of the annexation petition; and

236 (b) the request, a petition under Section 10-2-109 based on that request, or a petition under

237 Section 10-2-125 is still pending on the date the annexation petition is filed.

238 (5) If practicable and feasible, the boundaries of an area proposed for annexation shall be

239 drawn:

240 (a) along the boundaries of existing special districts for sewer, water, and other services,

241 along the boundaries of school districts whose boundaries follow city boundaries or school districts

242 adjacent to school districts whose boundaries follow city boundaries, and along the boundaries of

243 other taxing entities[?];

244 [~~(a)~~] (b) to eliminate islands and peninsulas of territory that is not receiving municipal-type
245 services;

246 [~~(b)~~] (c) to facilitate the consolidation of overlapping functions of local government;

247 [~~(c)~~] (d) to promote the efficient delivery of services; and

248 [~~(d)~~] (e) to encourage the equitable distribution of community resources and obligations.

249 (6) On the date of filing, the petition sponsors shall deliver or mail a copy of the petition
250 to:

251 (a) the clerk of the county in which the area proposed for annexation is located; and

252 (b) the chair of the planning commission of each township in which any part of the area
253 proposed for annexation is located.

254 Section 5. Section **10-2-405** is amended to read:

255 **10-2-405. Acceptance or rejection of an annexation petition -- Modified petition.**

256 (1) (a) (i) (A) A municipal legislative body may:

257 [~~(A)~~] (I) except as provided in Subsection (1)(b) and subject to Subsection (1)(a)(i)(B),
258 deny a petition filed under Section 10-2-403; or

259 [~~(B)~~] (II) accept the petition for further consideration under this part.

260 (B) A municipal legislative body's failure to act to deny or accept a petition under
261 Subsection (1)(a)(i)(A) within 14 days after the filing of the petition shall be considered to be an
262 acceptance of the petition for further consideration under this part.

263 (ii) If a municipal legislative body denies a petition under Subsection (1)(a)(i)(A), it shall,
264 within five days of the denial, mail written notice of the denial to the contact sponsor, the clerk of
265 the county in which the area proposed for annexation is located, and the chair of the planning
266 commission of each township in which any part of the area proposed for annexation is located.

267 (b) A municipal legislative body may not deny a petition filed under Section 10-2-403
268 proposing to annex an area located in a county of the first class if:

269 (i) the petition contains the signatures of the owners of private real property that:

270 (A) is located within the area proposed for annexation;

271 (B) covers a majority of the private land area within the area proposed for annexation; and

272 (C) is equal in value to at least 1/2 of the value of all private real property within the area
273 proposed for annexation;

274 (ii) the population in the area proposed for annexation does not exceed 10% of the
275 population of the proposed annexing municipality; ~~and~~

276 (iii) the property tax rate for municipal services in the area proposed to be annexed is
277 higher than the property tax rate of the proposed annexing municipality; and

278 (iv) all annexations by the proposed annexing municipality during the year that the petition
279 was filed have not increased the municipality's population by more than 20%.

280 (2) If the municipal legislative body accepts a petition under Subsection (1)(a)(i)~~(B)~~ (A)
281 or is considered to have accepted the petition under Subsection (1)(a)(i)(B), the city recorder or
282 town clerk, as the case may be, shall, within 30 days of that acceptance:

283 (a) with the assistance of the municipal attorney and of the clerk, surveyor, and recorder
284 of the county in which the area proposed for annexation is located, determine whether the petition
285 meets the requirements of Subsections 10-2-403(2), (3), and (4); and

286 (b) (i) if the city recorder or town clerk determines that the petition meets those
287 requirements, certify the petition and mail or deliver written notification of the certification to the
288 municipal legislative body, the contact sponsor, the county legislative body, and the chair of the
289 planning commission of each township in which any part of the area proposed for annexation is
290 located; or

291 (ii) if the city recorder or town clerk determines that the petition fails to meet any of those
292 requirements, reject the petition and mail or deliver written notification of the rejection and the
293 reasons for the rejection to the municipal legislative body, the contact sponsor, the county
294 legislative body, and the chair of the planning commission of each township in which any part of
295 the area proposed for annexation is located.

296 (3) (a) (i) If the city recorder or town clerk rejects a petition under Subsection (2)(b)(ii),
297 the petition may be modified to correct the deficiencies for which it was rejected and then refiled
298 with the city recorder or town clerk, as the case may be.

299 (ii) A signature on an annexation petition filed under Section 10-2-403 may be used
300 toward fulfilling the signature requirement of Subsection 10-2-403(2)(b) for the petition as
301 modified under Subsection (3)(a)(i).

302 (b) If a petition is refiled under Subsection (3)(a) after having been rejected by the city
303 recorder or town clerk under Subsection (2)(b)(ii), the refiled petition shall be treated as a newly
304 filed petition under Subsection 10-2-403(1).

305 (4) Each county clerk, surveyor, and recorder shall cooperate with and assist a city recorder
306 or town clerk in the determination under Subsection (2)(a).

307 Section 6. Section **10-2-406** is amended to read:

308 **10-2-406. Notice of certification -- Publishing and providing notice of petition.**

309 (1) After receipt of the notice of certification from the city recorder or town clerk under
310 Subsection 10-2-405(2)(b)(i), the municipal legislative body shall:

311 (a) (i) publish a notice at least once a week for three successive weeks, beginning no later
312 than ten days after receipt of the notice of certification, in a newspaper of general circulation
313 within:

314 (A) the area proposed for annexation; and

315 (B) the unincorporated area within 1/2 mile of the area proposed for annexation; or

316 (ii) if there is no newspaper of general circulation within those areas, post written notices
317 in conspicuous places within those areas that are most likely to give notice to residents within
318 those areas; and

319 (b) within 20 days of receipt of the notice of certification under Subsection
320 10-2-405(2)(b)(i), mail written notice to[+] each affected entity.

321 [~~(i) the legislative body of the county in which the area proposed for annexation is~~
322 ~~located;~~]

323 [~~(ii) the board of each special district under Title 17A, Chapter 2, Independent Special~~
324 ~~Districts, whose boundaries include part or all of the area proposed for annexation;~~]

325 [~~(iii) the legislative body of each municipality whose boundaries are within 1/2 mile of~~
326 ~~the area proposed for annexation; and]~~

327 [~~(iv) each school district whose boundaries include part or all of the area proposed for~~
328 ~~annexation.~~]

329 (2) (a) The notice under Subsections (1)(a) and (b) shall:

330 (i) state that a petition has been filed with the municipality proposing the annexation of
331 an area to the municipality;

332 (ii) state the date of the municipal legislative body's receipt of the notice of certification
333 under Subsection 10-2-405(2)(b)(i);

334 (iii) describe the area proposed for annexation in the annexation petition;

335 (iv) state that the complete annexation petition is available for inspection and copying at

336 the office of the city recorder or town clerk;

337 (v) state in conspicuous and plain terms that the municipality may grant the petition and
338 annex the area described in the petition unless, within the time required under Subsection
339 10-2-407(2)(a)(i)(A) [~~or 10-2-407(2)(e), as the case may be~~], a written protest to the annexation
340 petition is filed with the commission and a copy of the protest delivered to the city recorder or
341 town clerk of the proposed annexing municipality; and

342 (vi) state the address of the commission or, if a commission has not yet been created in the
343 county, the county clerk, where a protest to the annexation petition may be filed.

344 (b) The statement required by Subsection (2)(a)(v) shall state the deadline for filing a
345 written protest in terms of the actual date rather than by reference to the statutory citation.

346 (c) In addition to the requirements under Subsection (2)(a), a notice under Subsection
347 (1)(a) for a proposed annexation of an area within a county of the first class shall include a
348 statement that a protest to the annexation petition may be filed with the commission by property
349 owners if it contains the signatures of the owners of private real property that:

350 (i) is located in the unincorporated area within 1/2 mile of the area proposed for
351 annexation;

352 (ii) covers at least 25% of the private land area located in the unincorporated area within
353 1/2 mile of the area proposed for annexation; and

354 (iii) is equal in value to at least 15% of all real property located in the unincorporated area
355 within 1/2 mile of the area proposed for annexation.

356 Section 7. Section **10-2-407** is amended to read:

357 **10-2-407. Protest to annexation petition -- Requirements -- Disposition if no protest**
358 **-- Township planning commission recommendation.**

359 (1) (a) A protest to an annexation petition under Section 10-2-403 may be filed by:

360 (i) the legislative body [~~of the county in which the area proposed for annexation is~~
361 ~~located;~~] or governing board of an affected entity; or

362 [~~(ii) the board of a special district whose boundaries include part or all of the area~~
363 ~~proposed for annexation;~~]

364 [~~(iii) the legislative body of a municipality whose boundaries are within 1/2 mile of the~~
365 ~~area proposed for annexation; or]~~

366 [~~(iv)~~] (ii) for a proposed annexation of an area within a county of the first class, the owners

367 of private real property that:

368 (A) is located in the unincorporated area within 1/2 mile of the area proposed for
369 annexation;

370 (B) covers at least 25% of the private land area located in the unincorporated area within
371 1/2 mile of the area proposed for annexation; and

372 (C) is equal in value to at least 15% of all real property located in the unincorporated area
373 within 1/2 mile of the area proposed for annexation.

374 (b) (i) [~~(A) Except as provided in Subsection (1)(b)(i)(B), a township~~] A planning
375 commission of a township located in a county of the first class may recommend to the legislative
376 body of the county in which the township is located that the county legislative body file a protest
377 against a proposed annexation under this part of an area located within the township.

378 [~~(B) Subsection (1)(b)(i)(A) does not apply if the time for filing a protest under Subsection~~
379 ~~(2)(a)(i)(A) or (2)(e) expires before July 17, 1997.~~]

380 (ii) (A) [~~Except as provided in Subsection (1)(b)(ii)(B), the~~] The township planning
381 commission shall communicate each recommendation under Subsection (1)(b)(i) in writing to the
382 county legislative body within 30 days of the city recorder or town clerk's certification of the
383 annexation petition under Subsection 10-2-405(2)(b)(i).

384 [~~(B) Notwithstanding Subsection (1)(b)(ii)(A), if the city recorder or town clerk's~~
385 ~~certification under Subsection 10-2-405(2)(b)(i) occurs before July 17, 1997, the township~~
386 ~~planning commission shall communicate its recommendation under Subsection (1)(b)(i) in writing~~
387 ~~to the county legislative body on or before August 16, 1997, but no later than the deadline for filing~~
388 ~~a protest under Subsection (2)(a)(i)(A) or (2)(e), excluding an extension under Subsection (2)(f).]~~

389 [~~(C)~~] (B) At the time the recommendation is communicated to the county legislative body
390 under Subsection (1)(b)(ii)(A), the township planning commission shall mail or deliver a copy of
391 the recommendation to the legislative body of the proposed annexing municipality and to the
392 contact sponsor.

393 (2) (a) Each protest under Subsection (1)(a) shall:

394 (i) be filed:

395 (A) [~~except as provided in Subsections (2)(e) and (f);~~] no later than [~~60~~] 30 days after the
396 municipal legislative body's receipt of the notice of certification under Subsection
397 10-2-405(2)(b)(i); and

398 (B) (I) in a county that has already created a commission under Section 10-2-409, with the
399 commission; or

400 (II) in a county that has not yet created a commission under Section 10-2-409, with the
401 clerk of the county in which the area proposed for annexation is located; and

402 (ii) state each reason for the protest of the annexation petition and, if the area proposed to
403 be annexed is located in a specified county, justification for the protest under the standards
404 established in this chapter;

405 (iii) if the area proposed to be annexed is located in a specified county, contain other
406 information that the commission by rule requires or that the party filing the protest considers
407 pertinent; and

408 (iv) the name and address of a contact person who is to receive notices sent by the
409 commission with respect to the protest proceedings.

410 (b) The party filing a protest under this section shall on the same date deliver or mail a
411 copy of the protest to the city recorder or town clerk of the proposed annexing municipality.

412 (c) Each clerk who receives a protest under Subsection (2)(a)(i)(B)(II) shall immediately
413 notify the county legislative body of the protest and shall deliver the protest to the boundary
414 commission within five days of its creation under Subsection 10-2-409(1)(b).

415 (d) Each protest of a proposed annexation of an area located in a county of the first class
416 under Subsection (1)(a)[(iv)] (i)(D) shall, in addition to the requirements of Subsections (2)(a) and
417 (b):

418 (i) indicate the typed or printed name and current residence address of each owner signing
419 the protest; and

420 (ii) designate one of the signers of the protest as the contact person and state the mailing
421 address of the contact person.

422 [~~e) Notwithstanding Subsection (2)(a)(i)(A) and except as provided in Subsection (2)(f);~~
423 ~~each protest under Subsection (1) shall be filed no later than 40 days after the municipal legislative~~
424 ~~body's receipt of the notice of certification under Subsection 10-2-405(2)(b)(i) if the annexation~~
425 ~~petition proposes the annexation of an area that:]~~

426 [(i) is undeveloped; and]

427 [(ii) covers an area that is equivalent to less than 5% of the total land mass of all private
428 real property within the municipality.]

429 ~~[(f) The deadline under Subsection (2)(a)(i)(A) or (2)(e) for the county legislative body~~
 430 ~~to file a protest is extended by ten days if:]~~

431 ~~[(i) the city recorder or town clerk's certification of the annexation petition under~~
 432 ~~Subsection 10-2-405(2)(b)(i) occurs before July 17, 1997; and]~~

433 ~~[(ii) the time for filing a protest under Subsection (2)(a)(i)(A) or (2)(e) has not expired as~~
 434 ~~of July 17, 1997;]~~

435 (3) (a) (i) If a protest is filed under this section:

436 (A) the municipal legislative body may, at its next regular meeting after expiration of the
 437 deadline under Subsection (2)(a)(i)(A) ~~[or (e)]~~ and, for a proposed annexation of an area located
 438 in a county of the first class, except as provided in Subsection (3)(a)(iii), deny the annexation
 439 petition; or

440 (B) if the municipal legislative body does not deny the annexation petition under
 441 Subsection (3)(a)(i)(A), the municipal legislative body may take no further action on the
 442 annexation petition until after receipt of the commission's notice of its decision on the protest
 443 under Section 10-2-416.

444 (ii) If a municipal legislative body denies an annexation petition under Subsection
 445 (3)(a)(i)(A), the municipal legislative body shall, within five days of the denial, send notice of the
 446 denial in writing to:

447 (A) the contact sponsor of the annexation petition;

448 (B) the commission;

449 (C) each entity that filed a protest; and

450 (D) if a protest was filed under Subsection (1)(a)~~(iv)~~(ii) for a proposed annexation of an
 451 area located in a county of the first class, the contact person.

452 (iii) A municipal legislative body may not deny an annexation petition proposing to annex
 453 an area located in a county of the first class if:

454 (A) the petition contains the signatures of the owners of private real property that:

455 (I) is located within the area proposed for annexation;

456 (II) covers a majority of the private land area within the area proposed for annexation; and

457 (III) is equal in value to at least 1/2 of the value of all private real property within the area
 458 proposed for annexation;

459 (B) the population in the area proposed for annexation does not exceed \$ ~~[+]~~ 10% ~~[+]~~

459a ~~[5%]~~ § of the

460 population of the proposed annexing municipality; ~~and~~

461 (C) the property tax rate for municipal services in the area proposed to be annexed is
462 higher than the property tax rate of the proposed annexing municipality; ~~and~~

463 (D) all annexations by the proposed annexing municipality during the year that the petition
464 was filed have not increased the municipality's population by more than \$ [~~10%~~] 20% § .

465 (b) (i) If no timely protest is filed under this section, the municipal legislative body may,
466 subject to Subsection (3)(b)(ii), grant the petition and, by ordinance, annex the area that is the
467 subject of the annexation petition.

468 (ii) Before granting an annexation petition under Subsection (3)(b)(i), the municipal
469 legislative body shall:

470 (A) hold a public hearing; and

471 (B) at least seven days before the public hearing under Subsection (3)(b)(ii)(A):

472 (I) publish notice of the hearing in a newspaper of general circulation within the
473 municipality and the area proposed for annexation; or

474 (II) if there is no newspaper of general circulation in those areas, post written notices of
475 the hearing in conspicuous places within those areas that are most likely to give notice to residents
476 within those areas.

477 Section 8. Section **10-2-408** is amended to read:

478 **10-2-408. Denial of or granting the annexation petition.**

479 (1) After receipt of the commission's decision on a protest under Subsection 10-2-416(2),
480 a municipal legislative body may:

481 (a) except as provided in Subsection (2) for a proposed annexation of an area located in
482 a county of the first class, deny the annexation petition; or

483 (b) if the commission approves the annexation, grant the annexation petition and, by
484 ordinance and consistent with the commission's decision, annex the area that is the subject of the
485 annexation petition.

486 (2) A municipal legislative body may not deny an annexation petition proposing to annex
487 an area located in a county of the first class if:

488 (a) the petition contains the signatures of the owners of private real property that:

489 (i) is located within the area proposed for annexation;

490 (ii) covers a majority of the private land area within the area proposed for annexation; and

491 (iii) is equal in value to at least 1/2 of the value of all private real property within the area
492 proposed for annexation;

493 (b) the population in the area proposed for annexation does not exceed 10% of the
494 population of the proposed annexing municipality; ~~and~~

495 (c) the property tax rate for municipal services in the area proposed to be annexed is higher
496 than the property tax rate of the proposed annexing municipality; and

497 (d) all annexations by the proposed annexing municipality during the year that the petition
498 was filed have not increased the municipality's population by more than 20%.

499 Section 9. Section **10-2-409** is amended to read:

500 **10-2-409. Boundary commission -- Creation -- Members.**

501 (1) The legislative body of each county:

502 (a) may create a boundary commission on its own initiative at any time; and

503 (b) shall create a boundary commission within 30 days of the filing of a protest under
504 Section 10-2-407.

505 (2) ~~(a)~~ Each commission shall be composed of:

506 ~~(i)~~ (a) in a county with two or more municipalities:

507 ~~(A)~~ (i) two members who are elected county officers, appointed by:

508 (A) (I) in a county of the first class operating under a form of government in which the
509 executive and legislative functions are separated, the county executive with the advice and consent
510 of the county legislative body; or

511 (II) in a county of the first class operating under a form of government in which the
512 executive and legislative functions of the governing body are not separated, the county legislative
513 body; or

514 (B) in a specified county, the county legislative body;

515 ~~(B)~~ (ii) two members who are elected municipal officers from separate municipalities
516 within the county, appointed by the municipal selection committee; and

517 ~~(C)~~ (iii) three members who are residents of the county, none of whom is a county or
518 municipal officer, appointed by the four other members ~~[under Subsections (2)(a)(i)(A) and (B)]~~
519 of the boundary commission; and

520 ~~(i)~~ (b) in a county with only one municipality:

521 ~~(A)~~ (i) two members who are county elected officers, appointed by~~[-]~~ the county

522 legislative body:

523 ~~[(F) in a county operating under a form of government in which the executive and~~
524 ~~legislative functions are separated, the county executive with the advice and consent of the county~~
525 ~~legislative body; or]~~

526 ~~[(H) in a county operating under a form of government in which the executive and~~
527 ~~legislative functions of the governing body are not separated, the county legislative body;]~~

528 ~~[(B)]~~ (ii) one member who is a municipal officer, appointed by the [municipal legislative]
529 governing body of the municipality; and

530 ~~[(C)]~~ (iii) two members who are residents of the county, neither of whom is a county or
531 municipal officer, appointed by the other three members [under Subsections (2)(a)(ii)(A) and (B)]
532 of the boundary commission.

533 ~~[(b) For purposes of Subsection (2)(a)(i)(B), a majority of the municipal selection~~
534 ~~committee constitutes a quorum, and action of the municipal selection committee requires a~~
535 ~~majority vote of a quorum.]~~

536 (3) At the expiration of the term of each member appointed under this section, the
537 member's successor shall be appointed by the same body that appointed the member whose term
538 is expiring, as provided in this section.

539 ~~[(4) Each boundary commission created before May 5, 1997, under Chapter 25, Laws of~~
540 ~~Utah 1979, shall continue in existence and thereafter be governed by the provisions of this part.]~~

541 Section 10. Section **10-2-409.5** is enacted to read:

542 **10-2-409.5. Municipal selection committee.**

543 (1) In each county in which there are two or more municipalities there shall be a municipal
544 selection committee consisting of the mayor of each municipality.

545 (2) A majority of the members of the municipal selection committee constitutes a quorum.

546 (3) The municipal selection committee shall appoint each municipal member of the county
547 boundary commission under Subsection 10-2-409(2)(a)(iii) and fill each vacancy in that position
548 as it occurs.

549 Section 11. Section **10-2-410** is amended to read:

550 **10-2-410. Boundary commission member terms -- Staggered terms -- Chair --**
551 **Quorum -- Vacancy.**

552 (1) Except as provided in Subsection (2), the term of each member of a boundary

553 commission is four years and begins and expires the first Monday in January of the applicable year.

554 (2) Notwithstanding Subsection (1), the terms of the first members of a commission shall
555 be staggered by lot so that:

556 (a) on a seven-member commission, the term of one member is approximately one year,
557 the term of two members is approximately two years, the term of two members is approximately
558 three years, and the term of two members is approximately four years; and

559 (b) on a five-member commission, the term of two members is approximately two years
560 and the term of the other three members is approximately four years.

561 (3) (a) The members of each boundary commission shall elect as chair a person from their
562 number whose term on the boundary commission does not expire for at least two years.

563 (b) The term of a boundary commission chair is two years.

564 (4) A majority of the commission constitutes a quorum, and commission action requires
565 a majority vote of [~~a quorum~~] the commission.

566 (5) Each vacancy on a commission of a member or an alternate member shall be filled for
567 the remaining unexpired term of the vacating member by the body that appointed the vacating
568 member under Section 10-2-409.

569 Section 12. Section **10-2-411** is amended to read:

570 **10-2-411. Disqualification of commission member -- Alternate member.**

571 (1) A member of the boundary commission is disqualified with respect to a protest before
572 the commission if that member owns property:

573 (a) for a proposed annexation of an area located within a county of the first class:

574 (i) within the area proposed for annexation in a petition that is the subject of the protest;

575 or

576 [~~(b)~~] (ii) that is in the unincorporated area within 1/2 mile of the area proposed for
577 annexation in a petition that is the subject of a protest under Subsection 10-2-407(1)(a)[~~(iv)~~] (i)(D);

578 or

579 (b) for a proposed annexation of an area located in a specified county, within the area
580 proposed for annexation.

581 (2) If a member is disqualified under Subsection (1), the body that appointed the
582 disqualified member shall appoint an alternate member to serve on the commission for purposes
583 of the protest as to which the member is disqualified.

584 Section 13. Section **10-2-412** is amended to read:

585 **10-2-412. Boundary commission authority -- Expenses -- Records.**

586 (1) The boundary commission for each county shall hear and decide, according to the
587 provisions of this part, each protest filed under Section 10-2-407, with respect to an area that is
588 located within that county.

589 (2) A boundary commission may:

590 (a) adopt and enforce rules of procedure for the orderly and fair conduct of its proceedings;

591 (b) authorize a member of the commission to administer oaths if necessary in the
592 performance of the commission's duties;

593 (c) employ staff personnel and professional or consulting services reasonably necessary
594 to enable the commission to carry out its duties; and

595 (d) incur reasonable and necessary expenses to enable the commission to carry out its
596 duties.

597 (3) The legislative body of each county shall, with respect to the boundary commission in
598 that county:

599 (a) furnish the commission necessary quarters, equipment, and supplies;

600 (b) pay necessary operating expenses incurred by the commission; and

601 (c) reimburse the reasonable and necessary expenses incurred by each member appointed
602 under Subsection 10-2-409(2)(a)[~~(i)~~](iii) or [~~(ii)~~](b)(iii), unless otherwise provided by
603 interlocal agreement.

604 (4) Each county or municipal legislative body shall reimburse the reasonable and necessary
605 expenses incurred by a commission member who is an elected county or municipal officer,
606 respectively.

607 (5) Records, information, and other relevant materials necessary to enable the commission
608 to carry out its duties shall, upon request by the commission, be furnished to the boundary
609 commission by the personnel, employees, and officers of:

610 (a) for a proposed annexation of an area located in a county of the first class:

611 (i) each county and special district whose boundaries include an area that is the subject of
612 a protest under the commission's consideration; and

613 [~~(b)~~] (ii) each municipality whose boundaries may be affected by action of the boundary
614 commission; or

- 615 (b) for a proposed annexation of an area located in a specified county, each affected entity:
- 616 (i) whose boundaries include any part of the area proposed for annexation; or
- 617 (ii) that may be affected by action of the boundary commission.

618 Section 14. Section **10-2-413** is amended to read:

619 **10-2-413. Feasibility consultant -- Feasibility study -- Modifications to feasibility**
620 **study.**

621 (1) (a) [~~Unless~~] For a proposed annexation of an area located in a county of the first class,
622 unless a proposed annexing municipality denies an annexation petition under Subsection
623 10-2-407(3)(a)(i)(A) and except as provided in Subsection (1)(b), the commission shall choose and
624 engage a feasibility consultant within 45 days of:

625 (i) the commission's receipt of a protest under Section 10-2-407, if the commission had
626 been created before the filing of the protest; or

627 (ii) the commission's creation, if the commission is created after the filing of a protest.

628 (b) Notwithstanding Subsection (1)(a), the commission may not require a feasibility study
629 with respect to a [~~proposed~~] petition that proposes the annexation of an area that [meets the criteria
630 of Subsection 10-2-407(2)(c)]:

631 (i) is undeveloped; and

632 (ii) covers an area that is equivalent to less than 5% of the total land mass of all private real
633 property within the municipality.

634 (2) The commission shall require the feasibility consultant to:

635 (a) complete a feasibility study on the proposed annexation and submit written results of
636 the study to the commission no later than 75 days after the feasibility consultant is engaged to
637 conduct the study;

638 (b) submit with the full written results of the feasibility study a summary of the results no
639 longer than a page in length; and

640 (c) attend the public hearing under Subsection 10-2-415(1) and present the feasibility study
641 results and respond to questions at that hearing.

642 (3) (a) Subject to Subsection (4), the feasibility study shall consider:

643 (i) the population and population density within the area proposed for annexation, the
644 surrounding unincorporated area, and, if a protest was filed by a municipality with boundaries
645 within 1/2 mile of the area proposed for annexation, that municipality;

646 (ii) the geography, geology, and topography of and natural boundaries within the area
647 proposed for annexation, the surrounding unincorporated area, and, if a protest was filed by a
648 municipality with boundaries within 1/2 mile of the area proposed for annexation, that
649 municipality;

650 (iii) whether the proposed annexation eliminates, leaves, or creates an unincorporated
651 island or peninsula;

652 (iv) whether the proposed annexation will hinder or prevent a future and more logical and
653 beneficial annexation or a future logical and beneficial incorporation;

654 (v) the fiscal impact of the proposed annexation on the remaining unincorporated area,
655 other municipalities, special districts, school districts, and other governmental entities;

656 (vi) current and five-year projections of demographics and economic base in the area
657 proposed for annexation and surrounding unincorporated area, including household size and
658 income, commercial and industrial development, and public facilities;

659 (vii) projected growth in the area proposed for annexation and the surrounding
660 unincorporated area during the next five years;

661 (viii) the present and five-year projections of the cost of governmental services in the area
662 proposed for annexation;

663 (ix) the present and five-year projected revenue to the proposed annexing municipality
664 from the area proposed for annexation;

665 (x) the projected impact the annexation will have over the following five years on the
666 amount of taxes that property owners within the area proposed for annexation, the proposed
667 annexing municipality, and the remaining unincorporated county will pay;

668 (xi) past expansion in terms of population and construction in the area proposed for
669 annexation and the surrounding unincorporated area;

670 (xii) the extension during the past ten years of the boundaries of each other municipality
671 near the area proposed for annexation, the willingness of the other municipality to annex the area
672 proposed for annexation, and the probability that another municipality would annex some or all
673 of the area proposed for annexation during the next five years if the annexation did not occur;

674 (xiii) the history, culture, and social aspects of the area proposed for annexation and
675 surrounding area;

676 (xiv) the method of providing and the entity that has provided municipal-type services in

677 the past to the area proposed for incorporation and the feasibility of municipal-type services being
678 provided by the proposed annexing municipality; and

679 (xv) the effect on each school district whose boundaries include part or all of the area
680 proposed for annexation or the proposed annexing municipality.

681 (b) For purposes of Subsection (3)(a)(ix), the feasibility consultant shall assume ad
682 valorem property tax rates on residential property within the area proposed for annexation at the
683 same level that residential property within the proposed annexing municipality would be without
684 the annexation.

685 (c) For purposes of Subsection (3)(a)(viii), the feasibility consultant shall assume that the
686 level and quality of governmental services that will be provided to the area proposed for
687 annexation in the future is essentially comparable to the level and quality of governmental services
688 being provided within the proposed annexing municipality at the time of the feasibility study.

689 (4) (a) Except as provided in Subsection (4)(b), the commission may modify the depth of
690 study of and detail given to the items listed in Subsection (3)(a) by the feasibility consultant in
691 conducting the feasibility study depending upon:

692 (i) the size of the area proposed for annexation;

693 (ii) the size of the proposed annexing municipality;

694 (iii) the extent to which the area proposed for annexation is developed;

695 (iv) the degree to which the area proposed for annexation is expected to develop and the
696 type of development expected; and

697 (v) the number and type of protests filed against the proposed annexation.

698 (b) Notwithstanding Subsection (4)(a), the commission may not modify the requirement
699 that the feasibility consultant provide a full and complete analysis of the items listed in Subsections
700 (3)(a)(viii), (ix), and (xv).

701 (5) If the results of the feasibility study do not meet the requirements of Subsection
702 10-2-416(3), the feasibility consultant may, as part of the feasibility study, make recommendations
703 as to how the boundaries of the area proposed for annexation may be altered so that the
704 requirements of Subsection 10-2-416(3) may be met.

705 (6) (a) Except as provided in Subsection (6)(b), the feasibility consultant fees and expenses
706 shall be shared equally by the proposed annexing municipality and each entity or group under
707 Subsection 10-2-407(1) that files a protest.

708 (b) (i) Except as provided in Subsection (6)(b)(ii), if a protest is filed by property owners
709 under Subsection 10-2-407(1)(a)[~~(iv)~~](ii), the county in which the area proposed for annexation
710 shall pay the owners' share of the feasibility consultant's fees and expenses.

711 (ii) Notwithstanding Subsection (6)(b)(i), if both the county and the property owners file
712 a protest, the county and the proposed annexing municipality shall equally share the property
713 owners' share of the feasibility consultant's fees and expenses.

714 Section 15. Section **10-2-414** is amended to read:

715 **10-2-414. Modified annexation petition -- Supplemental feasibility study.**

716 (1) (a) (i) If the results of the feasibility study with respect to a proposed annexation of an
717 area located in a county of the first class do not meet the requirements of Subsection 10-2-416(3),
718 the sponsors of the annexation petition may, within 45 days of the feasibility consultant's
719 submission of the results of the study, file with the city recorder or town clerk of the proposed
720 annexing municipality a modified annexation petition altering the boundaries of the proposed
721 annexation.

722 (ii) On the date of filing a modified annexation petition under Subsection (1)(a)(i), the
723 sponsors of the annexation petition shall deliver or mail a copy of the modified annexation petition
724 to the clerk of the county in which the area proposed for annexation is located.

725 (b) Each modified annexation petition under Subsection (1)(a) shall comply with the
726 requirements of Subsections 10-2-403(2), (3), and (4).

727 (2) (a) Within 20 days of the city recorder or town clerk's receipt of the modified
728 annexation petition, the city recorder or town clerk, as the case may be, shall follow the same
729 procedure for the modified annexation petition as provided under Subsections 10-2-405(2) and
730 (3)(a) for an original annexation petition.

731 (b) If the city recorder or town clerk certifies the modified annexation petition under
732 Subsection 10-2-405(2)(b)(i), the city recorder or town clerk, as the case may be, shall send written
733 notice of the certification to:

734 (i) the commission;

735 (ii) each entity that filed a protest to the annexation petition; and

736 (iii) if a protest was filed under Subsection 10-2-407(1)(a)[~~(iv)~~](ii), the contact person.

737 (c) (i) If the modified annexation petition proposes the annexation of an area that includes
738 part or all of a special district or school district that was not included in the area proposed for

739 annexation in the original petition, the city recorder or town clerk, as the case may be, shall also
 740 send notice of the certification of the modified annexation petition to the board of the special
 741 district or school district.

742 (ii) If the area proposed for annexation in the modified annexation petition is within 1/2
 743 mile of the boundaries of a municipality whose boundaries were not within 1/2 mile of the area
 744 proposed for annexation in the original annexation petition, the city recorder or town clerk, as the
 745 case may be, shall also send notice of the certification of the modified annexation petition to the
 746 legislative body of that municipality.

747 (3) Within ten days of the commission's receipt of the notice under Subsection (2)(b), the
 748 commission shall engage the feasibility consultant that conducted the feasibility study to
 749 supplement the feasibility study to take into account the information in the modified annexation
 750 petition that was not included in the original annexation petition.

751 (4) The commission shall require the feasibility consultant to complete the supplemental
 752 feasibility study and to submit written results of the supplemental study to the commission no later
 753 than 30 days after the feasibility consultant is engaged to conduct the supplemental feasibility
 754 study.

755 Section 16. Section **10-2-415** is amended to read:

756 **10-2-415. Public hearing -- Notice.**

757 (1) (a)(i) If the results of the feasibility study or supplemental feasibility study meet the
 758 requirements of Subsection 10-2-416(3) with respect to a proposed annexation of an area located
 759 in a county of the first class, the commission shall hold a public hearing within 30 days of receipt
 760 of the feasibility study or supplemental feasibility study results.

761 [~~(2)~~] (ii) At the hearing under Subsection (1)(a)(i), the commission shall:

762 [~~(a)~~] (A) require the feasibility consultant to present the results of the feasibility study and,
 763 if applicable, the supplemental feasibility study;

764 [~~(b)~~] (B) allow those present to ask questions of the feasibility consultant regarding the
 765 study results; and

766 [~~(c)~~] (C) allow those present to speak to the issue of annexation.

767 [~~(3)~~]~~(a)~~ (iii)(A) The commission shall:

768 [~~(i)~~] (I) publish notice of [~~the~~] each hearing under Subsection (1)(a)(i) at least once a week
 769 for two successive weeks in a newspaper of general circulation within the area proposed for

770 annexation, the surrounding 1/2 mile of unincorporated area, and the proposed annexing
771 municipality; and

772 ~~[(iv)]~~ (II) send written notice of the hearing to the municipal legislative body of the
773 proposed annexing municipality, the contact sponsor on the annexation petition, each entity that
774 filed a protest, and, if a protest was filed under Subsection 10-2-407(1)(a)~~[(iv)]~~(ii), the contact
775 person.

776 ~~[(b)]~~ (B) If there is no newspaper of general circulation within the areas described in
777 Subsection ~~[(3)(a)(i)]~~ (1)(a)(iii)(A)(I), the commission shall give the notice required under that
778 subsection by posting notices, at least seven days before the hearing, in conspicuous places within
779 those areas that are most likely to give notice of the hearing to the residents of those areas.

780 ~~[(c)]~~ (C) The notices under Subsections ~~[(3)(a) and (b)]~~ (1)(a)(iii)(A) and (B) shall include
781 the feasibility study summary under Subsection 10-2-413(2)(b) and shall indicate that a full copy
782 of the study is available for inspection and copying at the office of the commission.

783 (b) (i) Within 30 days after time under Subsection 10-2-407(2) for filing a protest has
784 expired with respect to a proposed annexation of an area located in a specified county, the
785 boundary commission shall hold a hearing on all protests that were filed with respect to the
786 proposed annexation.

787 (ii) (A) At least 14 days before the date of each hearing under Subsection (1)(b)(i), the
788 commission chair shall cause notice of the hearing to be published in a newspaper of general
789 circulation within the area proposed for annexation.

790 (B) Each notice under Subsection (1)(b)(ii)(A) shall:

791 (I) state the date, time, and place of the hearing;

792 (II) briefly summarize the nature of the protest; and

793 (III) state that a copy of the protest is on file at the commission's office.

794 (iii) The commission may continue a hearing under Subsection (1)(b)(i) from time to time,
795 but no continued hearing may be held later than 60 days after the original hearing date.

796 (iv) In considering protests, the commission shall consider whether the proposed
797 annexation:

798 (A) complies with the requirements of Sections 10-2-402 and 10-2-403 and the annexation
799 policy plan of the proposed annexing municipality;

800 (B) conflicts with the annexation policy plan of another municipality; and

801 (C) if the proposed annexation includes urban development, will have an adverse tax
802 consequence on the remaining unincorporated area of the county.

803 [~~(4)~~] (2) (a) The commission shall record [~~the~~] each hearing under this section by
804 electronic means.

805 (b) A transcription of the recording under Subsection [~~(4)~~] (2)(a), the feasibility study, if
806 applicable, information received at the hearing, and the written decision of the commission shall
807 constitute the record of the hearing.

808 Section 17. Section **10-2-416** is amended to read:

809 **10-2-416. Commission decision -- Written decision.**

810 (1) Subject to Subsection (3), after the public hearing under Subsection 10-2-415(1) the
811 boundary commission may:

812 (a) approve the proposed annexation, either with or without conditions;

813 (b) make minor modifications to the proposed annexation and approve it, either with or
814 without conditions; or

815 (c) disapprove the proposed annexation.

816 (2) The commission shall issue a written decision on the proposed annexation within [20]
817 30 days [of] after the conclusion of the hearing under [~~Subsection 10-2-415(1)] Section 10-2-415~~
818 and shall send a copy of the decision to:

819 (a) the legislative body of the county in which the area proposed for annexation is located;

820 (b) the legislative body of the proposed annexing municipality;

821 (c) the contact person on the annexation petition;

822 (d) the contact person of each entity that filed a protest; and

823 (e) if a protest was filed under Subsection 10-2-407(1)(a)[~~(iv)~~](ii) with respect to a

824 proposed annexation of an area located in a county of the first class, the contact person designated
825 in the protest.

826 (3) [~~The~~] Except for an annexation for which a feasibility study may not be required under
827 Subsection 10-2-413(1)(b), the commission may not approve a proposed annexation of an area
828 located within a county of the first class unless the results of the feasibility study under Section
829 10-2-413 show that the average annual amount under Subsection 10-2-413(3)(a)(ix) does not
830 exceed the average annual amount under Subsection 10-2-413(3)(a)(viii) by more than 5%.

831 Section 18. Section **10-2-421** is amended to read:

832 **10-2-421. Electric utility service in annexed area.**

833 (1) If the electric consumers of the area being annexed are receiving electric utility services
834 from sources other than the annexing municipality, the municipality may not, without the consent
835 of the electric utility, furnish its electric utility services to the electric consumers until the
836 municipality has reimbursed the electric utility company [~~which~~] that previously provided the
837 services for the [~~fair market~~] value of those facilities dedicated to provide service to the annexed
838 area.

839 (2) If the annexing municipality and the electric utility cannot agree on the [~~fair market~~]
840 value, [~~it shall be determined by~~] the state court having jurisdiction shall determine the fair market
841 value of those facilities, and the municipality shall reimburse the fair market value, as determined
842 by the court, to the electric utility company.

843 Section 19. Section **10-2-426** is amended to read:

844 **10-2-426. Division of municipal-type services revenues.**

845 (1) The legislative body of [~~the~~] each county of the first class in which an area proposed
846 for annexation under this part is located shall, until the date of annexation, continue:

847 (a) to levy and collect ad valorem property tax and other revenues from or pertaining to
848 the area; and

849 (b) except as otherwise agreed by the county legislative body and the municipal legislative
850 body, to provide the same services to the area proposed for annexation as the county provided
851 before the commencement of the annexation proceedings.

852 (2) (a) The legislative body of [~~the~~] each county of the first class in which an area proposed
853 for annexation is located shall, after annexation, share pro rata with the annexing municipality the
854 taxes and service charges or fees levied and collected by the county under Section 17-34-3 during
855 the year of the annexation if and to the extent that the annexing municipality provides, by itself or
856 by contract, the same services for which the county levied and collected the taxes and service
857 charges or fees.

858 (b) The pro rata allocation of taxes under Subsection (2)(a) shall be based on the date of
859 annexation, and the pro rata allocation of service charges and fees shall be based on the proportion
860 of services related to the service charges and fees that remain to be rendered after annexation.

861 **Section 20. Legislative intent.**

862 It is the intent of the Legislature that officials from each county of the first class and from

863 each municipality within each county of the first class shall together:

864 (1) by November 15, 2001, prepare a master plan for municipal annexations and
865 incorporations within the county that:

866 (a) proposes how the remainder of unincorporated areas within the county are to be
867 included within municipalities, through municipal annexation or incorporation;

868 (b) shows the boundaries of municipalities as they are expected to exist after annexations
869 and incorporations of all unincorporated areas have occurred; and

870 (c) includes a method for an unincorporated area to be added to a municipality when it so
871 desires; and

872 (2) present the plan to the Legislative Management Committee at its first meeting after
873 November 15, 2001.

874 Section 21. **Repealer.**

875 This act repeals:

876 Section **10-2-404, Certain annexation petitions invalid -- Certain petitions considered**
877 **filed on May 5, 1997 -- Signatures on invalid petitions -- Special requirements for certain**
878 **petitions.**