

**Representative Joseph G. Murray** proposes to substitute the following bill:

**SPECIAL DISTRICT AND LOCAL DISTRICT AMENDMENTS**

2001 GENERAL SESSION

STATE OF UTAH

**Sponsor: David L. Gladwell**

**This act modifies provisions relating to Special Districts and Limited Purpose Local Government Entities to rewrite and standardize annexation and dissolution provisions for specified special districts and for local districts. This act allows for the process to annex an area outside the boundaries of a specified special district or a local district to be initiated by petition or by resolution of a county or municipal legislative body. The act allows, in some circumstances, a county or municipality to terminate the annexation process if the county or municipality will provide the service proposed to be provided by the special or local district. The act requires, with some exceptions, the special or local district to hold a public hearing and provide notice of the hearing and provides for a protest and election, under certain circumstances. The act provides for a streamlined annexation process for a district providing service on a wholesale level and for a district providing transportation service. The act provides a procedure for districts to adjust a common boundary. The act provides a procedure for dissolving a district if certain conditions are present. The act provides for notice and a public hearing for a dissolution. The act repeals inconsistent and obsolete provisions and makes technical changes. This act provides a coordination clause.**

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

AMENDS:

**17A-2-101**, as last amended by Chapter 177, Laws of Utah 2000

**17A-2-301**, as last amended by Chapters 361 and 368, Laws of Utah 1998

**17A-2-317**, as last amended by Chapter 227, Laws of Utah 1993

**17A-2-403**, as last amended by Chapter 368, Laws of Utah 1998



- 26           **17A-2-405**, as last amended by Chapter 21, Laws of Utah 1997
- 27           **17A-2-411**, as last amended by Chapter 254, Laws of Utah 2000
- 28           **17A-2-413**, as last amended by Chapter 227, Laws of Utah 1993
- 29           **17A-2-422**, as last amended by Chapter 1, Laws of Utah 2000
- 30           **17A-2-530**, as last amended by Chapter 254, Laws of Utah 2000
- 31           **17A-2-622**, as last amended by Chapter 254, Laws of Utah 2000
- 32           **17A-2-706**, as last amended by Chapter 254, Laws of Utah 2000
- 33           **17A-2-714**, as last amended by Chapter 254, Laws of Utah 2000
- 34           **17A-2-715**, as last amended by Chapter 254, Laws of Utah 2000
- 35           **17A-2-730**, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 36           **17A-2-738**, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 37           **17A-2-741**, as last amended by Chapter 254, Laws of Utah 2000
- 38           **17A-2-749**, as last amended by Chapter 254, Laws of Utah 2000
- 39           **17A-2-751**, as last amended by Chapter 254, Laws of Utah 2000
- 40           **17A-2-752**, as last amended by Chapter 254, Laws of Utah 2000
- 41           **17A-2-754**, as last amended by Chapter 254, Laws of Utah 2000
- 42           **17A-2-758**, as last amended by Chapter 254, Laws of Utah 2000
- 43           **17A-2-759**, as last amended by Chapter 254, Laws of Utah 2000
- 44           **17A-2-801**, as last amended by Chapter 254, Laws of Utah 2000
- 45           **17A-2-803**, as last amended by Chapter 368, Laws of Utah 1998
- 46           **17A-2-842**, as last amended by Chapter 254, Laws of Utah 2000
- 47           **17A-2-1048**, as last amended by Chapter 254, Laws of Utah 2000
- 48           **17A-2-1049**, as last amended by Chapter 254, Laws of Utah 2000
- 49           **17A-2-1420**, as last amended by Chapter 254, Laws of Utah 2000
- 50           **17A-2-1821**, as enacted by Chapter 216, Laws of Utah 1995
- 51           **17B-2-101**, as enacted by Chapter 368, Laws of Utah 1998
- 52           **17B-2-201**, as last amended by Chapter 1, Laws of Utah 2000
- 53           **17B-2-217**, as last amended by Chapter 177, Laws of Utah 2000
- 54           **73-2-1**, as last amended by Chapter 3, Laws of Utah 1991
- 55   ENACTS:
- 56           **17A-2-101.3**, Utah Code Annotated 1953

- 57           **17B-2-102**, Utah Code Annotated 1953
- 58           **17B-2-501**, Utah Code Annotated 1953
- 59           **17B-2-502**, Utah Code Annotated 1953
- 60           **17B-2-503**, Utah Code Annotated 1953
- 61           **17B-2-504**, Utah Code Annotated 1953
- 62           **17B-2-505**, Utah Code Annotated 1953
- 63           **17B-2-506**, Utah Code Annotated 1953
- 64           **17B-2-507**, Utah Code Annotated 1953
- 65           **17B-2-508**, Utah Code Annotated 1953
- 66           **17B-2-509**, Utah Code Annotated 1953
- 67           **17B-2-510**, Utah Code Annotated 1953
- 68           **17B-2-511**, Utah Code Annotated 1953
- 69           **17B-2-512**, Utah Code Annotated 1953
- 70           **17B-2-513**, Utah Code Annotated 1953
- 71           **17B-2-514**, Utah Code Annotated 1953
- 72           **17B-2-515**, Utah Code Annotated 1953
- 73           **17B-2-516**, Utah Code Annotated 1953
- 74           **17B-2-517**, Utah Code Annotated 1953
- 75           **17B-2-701**, Utah Code Annotated 1953
- 76           **17B-2-702**, Utah Code Annotated 1953
- 77           **17B-2-703**, Utah Code Annotated 1953
- 78           **17B-2-704**, Utah Code Annotated 1953
- 79           **17B-2-705**, Utah Code Annotated 1953
- 80           **17B-2-706**, Utah Code Annotated 1953
- 81           **17B-2-707**, Utah Code Annotated 1953
- 82           **17B-2-708**, Utah Code Annotated 1953

83   RENUMBERS AND AMENDS:

- 84           **17A-3-244**, (Renumbered from 17A-2-326, as renumbered and amended by Chapter 186,
- 85   Laws of Utah 1990)

86   REPEALS:

- 87           **17A-2-202**, as last amended by Chapter 368, Laws of Utah 1998

- 88           **17A-2-203**, as last amended by Chapter 227, Laws of Utah 1993  
89           **17A-2-204**, as last amended by Chapter 146, Laws of Utah 1994  
90           **17A-2-205**, as last amended by Chapter 227, Laws of Utah 1993  
91           **17A-2-206**, as last amended by Chapter 227, Laws of Utah 1993  
92           **17A-2-207**, as renumbered and amended by Chapter 186, Laws of Utah 1990  
93           **17A-2-213**, as last amended by Chapter 322, Laws of Utah 1997  
94           **17A-2-214**, as last amended by Chapter 322, Laws of Utah 1997  
95           **17A-2-303**, as last amended by Chapters 112 and 146, Laws of Utah 1994  
96           **17A-2-304**, as last amended by Chapter 146, Laws of Utah 1994  
97           **17A-2-331**, as last amended by Chapter 1, Laws of Utah 2000  
98           **17A-2-332**, as last amended by Chapter 227, Laws of Utah 1993  
99           **17A-2-333**, as last amended by Chapter 322, Laws of Utah 1997  
100          **17A-2-339**, as enacted by Chapter 129, Laws of Utah 1997  
101          **17A-2-404**, as last amended by Chapter 227, Laws of Utah 1993  
102          **17A-2-406**, as last amended by Chapter 227, Laws of Utah 1993  
103          **17A-2-407**, as renumbered and amended by Chapter 186, Laws of Utah 1990  
104          **17A-2-408**, as last amended by Chapter 227, Laws of Utah 1993  
105          **17A-2-409**, as last amended by Chapter 227, Laws of Utah 1993  
106          **17A-2-410**, as last amended by Chapter 227, Laws of Utah 1993  
107          **17A-2-417**, as last amended by Chapters 21 and 322, Laws of Utah 1997  
108          **17A-2-420**, as last amended by Chapter 227, Laws of Utah 1993  
109          **17A-2-430**, as last amended by Chapter 273, Laws of Utah 1991  
110          **17A-2-529**, as last amended by Chapter 254, Laws of Utah 2000  
111          **17A-2-546**, as last amended by Chapter 254, Laws of Utah 2000  
112          **17A-2-561**, as last amended by Chapter 254, Laws of Utah 2000  
113          **17A-2-562**, as last amended by Chapter 30, Laws of Utah 1992  
114          **17A-2-563**, as last amended by Chapter 254, Laws of Utah 2000  
115          **17A-2-564**, as renumbered and amended by Chapter 186, Laws of Utah 1990  
116          **17A-2-565**, as renumbered and amended by Chapter 186, Laws of Utah 1990  
117          **17A-2-566**, as last amended by Chapter 254, Laws of Utah 2000  
118          **17A-2-567**, as renumbered and amended by Chapter 186, Laws of Utah 1990

- 119           **17A-2-602**, as last amended by Chapter 146, Laws of Utah 1994  
120           **17A-2-603**, as last amended by Chapter 146, Laws of Utah 1994  
121           **17A-2-604**, as last amended by Chapter 146, Laws of Utah 1994  
122           **17A-2-605**, as last amended by Chapter 1, Laws of Utah 2000  
123           **17A-2-606**, as last amended by Chapter 227, Laws of Utah 1993  
124           **17A-2-608**, as last amended by Chapters 12 and 146, Laws of Utah 1994  
125           **17A-2-614**, as last amended by Chapter 254, Laws of Utah 2000  
126           **17A-2-624**, as renumbered and amended by Chapter 186, Laws of Utah 1990  
127           **17A-2-702**, as last amended by Chapter 368, Laws of Utah 1998  
128           **17A-2-703**, as last amended by Chapter 254, Laws of Utah 2000  
129           **17A-2-704**, as last amended by Chapter 254, Laws of Utah 2000  
130           **17A-2-705**, as last amended by Chapter 254, Laws of Utah 2000  
131           **17A-2-731**, as last amended by Chapter 254, Laws of Utah 2000  
132           **17A-2-732**, as last amended by Chapter 254, Laws of Utah 2000  
133           **17A-2-733**, as last amended by Chapter 254, Laws of Utah 2000  
134           **17A-2-734**, as renumbered and amended by Chapter 186, Laws of Utah 1990  
135           **17A-2-735**, as renumbered and amended by Chapter 186, Laws of Utah 1990  
136           **17A-2-736**, as renumbered and amended by Chapter 186, Laws of Utah 1990  
137           **17A-2-737**, as renumbered and amended by Chapter 186, Laws of Utah 1990  
138           **17A-2-745**, as last amended by Chapter 254, Laws of Utah 2000  
139           **17A-2-746**, as last amended by Chapter 254, Laws of Utah 2000  
140           **17A-2-747**, as last amended by Chapter 254, Laws of Utah 2000  
141           **17A-2-748**, as last amended by Chapter 254, Laws of Utah 2000  
142           **17A-2-811**, as renumbered and amended by Chapter 186, Laws of Utah 1990  
143           **17A-2-812**, as last amended by Chapter 1, Laws of Utah 2000  
144           **17A-2-813**, as renumbered and amended by Chapter 186, Laws of Utah 1990  
145           **17A-2-814**, as renumbered and amended by Chapter 186, Laws of Utah 1990  
146           **17A-2-815**, as renumbered and amended by Chapter 186, Laws of Utah 1990  
147           **17A-2-841**, as last amended by Chapter 254, Laws of Utah 2000  
148           **17A-2-912**, as last amended by Chapter 322, Laws of Utah 1997  
149           **17A-2-913**, as renumbered and amended by Chapter 186, Laws of Utah 1990

- 150           **17A-2-1404**, as last amended by Chapters 13 and 368, Laws of Utah 1998
- 151           **17A-2-1405**, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 152           **17A-2-1406**, as last amended by Chapter 227, Laws of Utah 1993
- 153           **17A-2-1407**, as last amended by Chapter 254, Laws of Utah 2000
- 154           **17A-2-1408**, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 155           **17A-2-1437**, as last amended by Chapters 1 and 254, Laws of Utah 2000
- 156           **17A-2-1815**, as enacted by Chapter 216, Laws of Utah 1995
- 157           **17A-2-1816**, as enacted by Chapter 216, Laws of Utah 1995
- 158           **17A-2-1817**, as enacted by Chapter 216, Laws of Utah 1995
- 159           **17A-2-1818**, as enacted by Chapter 216, Laws of Utah 1995
- 160           **17A-2-1819**, as enacted by Chapter 216, Laws of Utah 1995
- 161           **17A-2-1820**, as enacted by Chapter 216, Laws of Utah 1995

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

163           Section 1. Section **17A-2-101** is amended to read:

164           **17A-2-101. Creation procedures for certain independent special districts.**

165           (1) [~~(a) Beginning March 23, 1998, the~~] The creation of a special district under Part 2,  
166 Cemetery Maintenance Districts, Part 3, County Improvement Districts for Water, Sewerage, Flood  
167 Control, Electric and Gas, Part 4, County Service Area Act, Part 7, Irrigation Districts, Part 8,  
168 Metropolitan Water District Act, Part 9, Mosquito Abatement Districts, [~~and~~] Part 10, Utah Public  
169 Transit District Act, and Part 14, Water Conservancy Districts, shall be governed by Title 17B,  
170 Chapter 2, Part 2, Creation of Local Districts, in the same manner as if a local district under Title  
171 17B, Chapter 2, Local Districts, were proposed to be created.

172           ~~[(b) Beginning September 15, 1998, the creation of a special district under Part 14, Water~~  
173 ~~Conservancy Districts, shall be governed by Title 17B, Chapter 2, Part 2, Creation of Local~~  
174 ~~Districts, in the same manner as if a local district under Title 17B, Chapter 2, Local Districts, were~~  
175 ~~proposed to be created.]~~

176           (2) Subsection 17B-2-217(1) does not prohibit the creation of one of the types of  
177 independent special districts listed in Subsection (1) under the creation provisions of Title 17B,  
178 Chapter 2, Part 2, Creation of Local Districts.

179           (3) The provisions of Title 17B, Chapter 2, Part 2, Creation of Local Districts, do not apply  
180 to an independent special district under this chapter created before March 23, 1998.

181 (4) (a) For each type of independent special district listed in Subsection (1), the provisions  
182 of the part under this chapter that applies to that district govern with respect to the appointment  
183 or election of the governing body of that type of independent special district after its creation under  
184 Title 17B, Chapter 2, Part 2, Creation of Local Districts.

185 (b) If application of the provisions of Title 17B, Chapter 2, Part 2, Creation of Local  
186 Districts, results in the creation of an independent special district before the governing body of that  
187 district, under the applicable provisions of this chapter, takes office, the responsible body, as  
188 defined in Subsection 17B-2-201(1)(~~†~~), shall be the governing body of the district until the  
189 governing body takes office under the applicable provisions of this chapter.

190 (5) Notwithstanding Section 17B-2-202, an independent special district listed in  
191 Subsection (1) may be created to provide only the services that are authorized under the part of this  
192 chapter applicable to that type of district.

193 Section 2. Section **17A-2-101.3** is enacted to read:

194 **17A-2-101.3. Annexation and dissolution provisions for certain independent special**  
195 **districts.**

196 (1) Except as provided in Subsection (2), for each type of independent special district  
197 listed in Subsection 17A-2-101(1) and for a drainage district under Part 5, Drainage Districts, a fire  
198 protection district under Part 6, Fire Protection Districts, and a regional service area under Part 18,  
199 Regional Service Area Act, on or after June 1, 2001:

200 (a) annexation of additional territory to the district or adjustment of boundaries shared by  
201 two or more of those types of independent special districts shall be governed by Title 17B, Chapter  
202 2, Part 5, Annexation, to the same extent as if the independent special district were a local district  
203 under Title 17B, Chapter 2, Local Districts; and

204 (b) dissolution of a district shall be governed by Title 17B, Chapter 2, Part 7, Dissolution,  
205 to the same extent as if the independent special district were a local district under Title 17B,  
206 Chapter 2, Local Districts.

207 (2) An annexation, boundary adjustment, or dissolution proceeding begun before and still  
208 pending on June 1, 2001 for a type of independent special district referred to in Subsection (1) is  
209 not subject to Subsection (1)(a) or (b) but continues after that date to be governed by the statutory  
210 provisions in effect immediately before that date.

211 Section 3. Section **17A-2-301** is amended to read:

212 **17A-2-301. Improvement district authority -- Area.**

213 (1) (a) An improvement district [~~may be established under this part and~~] may acquire  
214 through construction, purchase, gift, or condemnation, or any combination of these methods, and  
215 may operate all or any part of:

216 (i) a system for the supply, treatment, and distribution of water;

217 (ii) a system for the collection, treatment, and disposition of sewage;

218 (iii) a system for the collection, retention, and disposition of storm and flood waters;

219 (iv) a system for the generation, distribution, and sale of electricity; and

220 (v) a system for the transmission of natural or manufactured gas if the system is:

221 (A) connected to a gas plant, as defined in Section 54-2-1, of a gas corporation, as defined  
222 in Section 54-2-1, regulated under Section 54-4-1; and

223 (B) to be used to facilitate gas utility service within the district if the gas utility service is  
224 not available within the district prior to the acquisition or construction of the system.

225 (b) The new gas utility service under Subsection (1)(a)(v)(B) shall be provided by a gas  
226 corporation regulated under Section 54-4-1 and not by the district.

227 (2) (a) (i) Subject to Subsection (2)~~(c)~~(a)(ii), the area of a district under this part may  
228 include all or part of any county or counties, including all or any part of any incorporated  
229 municipalities, other incorporated areas, and unincorporated areas, as the needs of the inhabitants  
230 of the proposed districts may appear.

231 (ii) Notwithstanding Subsection (2)(a)(i), the addition of any territory to a district under  
232 this part shall, on and after June 1, 2001 and as provided in Subsection 17A-2-101.3(1)(a), be  
233 governed by Title 17B, Chapter 2, Part 5, Annexation.

234 (b) The boundaries of a district authorized under this part do not need to be contiguous.

235 ~~[(c) (i) Notwithstanding Subsection (2)(a), an improvement district created under this part~~  
236 ~~after May 4, 1998, for the supply, treatment, or distribution of water may not include part of a~~  
237 ~~municipality unless:]~~

238 ~~[(A) the municipality's governing body adopts an ordinance or resolution consenting to the~~  
239 ~~inclusion; and]~~

240 ~~[(B) the owners of over 50% of all parcels of real property, located in the area proposed~~  
241 ~~to be included and that will have at least one water connection to the improvement district, request~~  
242 ~~in writing that the improvement district and not the municipality provide the services proposed to~~



243 ~~be provided by the improvement district.]~~

244 ~~[(ii) For purposes of Subsection (2)(c)(i)(B), the provisions of Subsections~~

245 ~~17A-2-340(2)(c)(i), (ii), (iii), and (iv) apply.]~~

246 (3) If an improvement district authorized under this part was created solely for the purpose  
247 of acquiring a system for the collection, retention, or disposition of storm and flood waters, the  
248 county legislative body that created the district may, in its discretion and despite anything to the  
249 contrary in Section 17A-2-305, act as the board of trustees of the district for so long as it considers  
250 desirable.

251 ~~[(4) All provisions of this part that establish, govern, or state the requirements and~~  
252 ~~procedure for the creation of an improvement district:]~~

253 ~~[(a) are superseded by the provisions of Title 17B, Chapter 2, Part 2, Creation of Local~~  
254 ~~Districts, with respect to the creation of an improvement district; and]~~

255 ~~[(b) remain valid to the extent they establish, govern, or state the requirements or~~  
256 ~~procedure for annexation to an existing improvement district.]~~

257 Section 4. Section **17A-2-317** is amended to read:

258 **17A-2-317. Ratification of districts created under prior laws -- Issuance of**  
259 **authorized bonds -- Amendatory proceedings.**

260 Whenever any district has been heretofore created or purported to be created under  
261 authority of Chapter 25, Laws of Utah 1947, Chapter 24, Laws of Utah 1949, or the act hereby  
262 amended and where proceedings have been adopted by the governing body of such district for the  
263 purpose of authorizing the bonds of such district, whether or not such bonds are payable from  
264 operating revenues or from taxes or both, and whether or not such bonds have been heretofore  
265 delivered, all proceedings had in connection with the creation of such district, the organization of  
266 the governing body thereof, and all proceedings had in connection with the authorization of such  
267 bonds, and, when duly delivered and paid for as required by such proceedings, the bonds  
268 themselves are hereby validated, ratified and declared to be binding and effective in accordance  
269 with their terms notwithstanding any failure to comply with any one or more pertinent statutory  
270 provisions and notwithstanding whether such proceedings have been continuously in effect from  
271 the date of their adoption to the date of the passage of this part.

272 As to each district coming within the purview of this section which has heretofore  
273 authorized bonds which have not yet been issued, the governing body of such district is hereby

274 authorized and empowered to do all things necessary to the issuance of such bonds and to the  
275 performance and carrying out of the contracts of such district, and such things may be done and  
276 such bonds when issued shall benefit from the curative provisions of this section whether or not  
277 changes in the details of the bonds and in the proceedings authorizing the issuance thereof have  
278 been made since the original adoption thereof or may hereafter be made and without regard to the  
279 nature of such changes.

280 Where any district has been originally initiated or created under authority of either Chapter  
281 2, Part 3 or Chapter 3, Part 2, the governing authority of such district may proceed to issue bonds  
282 and operate facilities under the authority of the law under which it was created or may, if in so  
283 doing provision is made for the payment in full of all expenses and obligations heretofore incurred  
284 by such district for legal, engineering, fiscal agent's and other proper services, make such changes  
285 and amendments in the proceedings for the authorization of such bonds as may be necessary to  
286 effect the authorization and issuance of such bonds under the provisions of this part as amended,  
287 and to that end, may increase or decrease the amount of bonds so authorized, may make such  
288 bonds payable in whole or in part from the operating revenues of the district or from taxes or both  
289 as herein provided, and may make any other changes in such proceedings it may deem to the best  
290 interests of the district. If any such change has the effect of pledging or allocating to the payment  
291 of any such bond taxes to be levied by such district, such amendatory proceedings shall become  
292 effective only when there shall have been given ~~[the] notice [contemplated by Section 17A-2-304~~  
293 ~~hereof]~~ of a public hearing by publishing notice once a week for three successive weeks in a  
294 newspaper of general circulation in each county that contains some or all of the district, and when  
295 the hearing ~~[required by such section shall have]~~ has been held and appeals taken therefrom, if any,  
296 terminated. For the purpose of this section, the county legislative body under districts initiated or  
297 created under said Chapter 3, Part 2, shall at its option, if it elects hereafter to proceed hereunder,  
298 exercise all duties and functions provided by this part to be exercised by the board of trustees of  
299 any district created hereunder or may cause an election to be held for the election of trustees in  
300 accordance with the provisions of this part.

301 Section 5. Section **17A-2-403** is amended to read:

302 **17A-2-403. Authorized services -- Notice to and coordination with utility.**

303 (1) (a) ~~[Whenever an unincorporated area in a county requires one or more of the following~~  
304 ~~extended services which are not provided on a countywide basis]~~ A county service area may

305 provide: extended police protection; fire protection; culinary or irrigation water retail service;  
306 water conservation; local park, recreation or parkway facilities and services; cemeteries; public  
307 libraries; sewers, sewage and storm water treatment and disposal; flood control; garbage and refuse  
308 collection; street lighting; airports; planning and zoning; local streets and roads; curb, gutter and  
309 sidewalk construction and maintenance; mosquito abatement; health department services; hospital  
310 service; or the underground installation of an electric utility line or the conversion to underground  
311 of an existing electric utility line[; such services may be supplied by a county service area].

312 ~~(b)~~ If ~~[the provision of said services shall require]~~ providing service requires the issuance  
313 of bonds or the creation of long-term obligations ~~[said services]~~, the service may be supplied by  
314 means available ~~[at law]~~ as ~~[herein]~~ provided in this part.

315 ~~[(b)]~~ (2) Each county service area that supplies the service of the underground installation  
316 of an electric utility line or the conversion to underground of an existing electric utility line shall,  
317 in installing or converting the line, provide advance notice to and coordinate with the utility that  
318 owns the line.

319 ~~[(2) All provisions of this part that establish, govern, or state the requirements and  
320 procedure for the creation of a county service area:]~~

321 ~~[(a) are superseded by the provisions of Title 17B, Chapter 2, Part 2, Creation of Local  
322 Districts, with respect to the creation of a county service area; and]~~

323 ~~[(b) remain valid to the extent they establish, govern, or state the requirements or  
324 procedure for annexation to an existing county service area.]~~

325 Section 6. Section **17A-2-405** is amended to read:

326 **17A-2-405. Area in county service area -- Overlapping of areas.**

327 (1) (a) ~~[(A)]~~ The boundaries of a county service area may [consist of] include:

328 (i) all or part of any unincorporated area of one county; and

329 (ii) territory located within a municipality~~[-as provided in Sections 17A-2-417 and  
330 17A-2-418].~~

331 (b) Notwithstanding Subsection (1)(a), the addition of any territory to a county service area  
332 under this part shall, on and after June 1, 2001 and as provided in Subsection 17A-2-101.3(1)(a),  
333 be governed by Title 17B, Chapter 2, Part 5, Annexation.

334 ~~[(b)]~~ (2) County service areas may overlap if the service area which overlaps is entirely  
335 within the boundaries of the service area which it overlaps.

336 ~~[(e)(i)] (3)(a)~~ Except as provided in Subsection ~~[(1)(e)(ii)] (3)(b)~~, not more than two  
337 service areas may occupy the same area in the county.

338 ~~[(ii)] (b)~~ Notwithstanding Subsection ~~[(1)(e)(i)] (3)(a)~~, three service areas may occupy the  
339 same area in the county if one of the overlapping service areas is countywide.

340 ~~[(d)] (4)~~ No overlapping service areas may perform the same services.

341 ~~[(e)] (5)~~ All parts of a county service area need not be contiguous.

342 ~~[(2)(a)] Proceedings for the establishment of a county service area may be commenced at~~  
343 ~~any time and shall be instituted by the county legislative body if:]~~

344 ~~[(i)] a majority of the county legislative body vote in support of a resolution made by a~~  
345 ~~member of that legislative body, describing the boundaries of the territory proposed to be included~~  
346 ~~in the area and specifying the type or types of extended county services already provided or to be~~  
347 ~~provided;]~~

348 ~~[(ii)] a petition is filed with the county clerk, requesting the institution of such proceedings~~  
349 ~~signed by not less than 25% of the taxpayers owning real property which is located in the territory~~  
350 ~~proposed to be included within the area; or]~~

351 ~~[(iii)] a petition is filed with the county clerk, requesting the institution of such proceedings~~  
352 ~~signed by not less than 25% of the qualified voters residing in the territory proposed to be included~~  
353 ~~within the area.]~~

354 ~~[(b)] The petition under Subsection (2)(a)(ii) or (iii) may consist of any number of separate~~  
355 ~~instruments.]~~

356 ~~[(3)] The resolution or the petitions described in Subsection (2) and all separate instruments~~  
357 ~~related to them shall describe the boundaries of the proposed area with definiteness and certainty.]~~

358 Section 7. Section **17A-2-411** is amended to read:

359 **17A-2-411. Board of trustees -- Selection procedures -- Surety bonds -- Other**  
360 **provisions applicable.**

361 (1) Each service area authorized under this part shall be governed by a board of trustees.

362 (2) (a) Upon the creation of a county service area, the county legislative body may adopt  
363 an ordinance declaring that the county legislative body of the county shall act as the trustees of the  
364 service area.

365 (b) Upon passage of the ordinance, the county legislative body of the county shall act as  
366 trustees of the service area with all the powers, authority, and responsibility vested in the trustees

367 under this part.

368 (c) (i) The county legislative body, when acting as trustees, may use any existing county  
369 offices, officers, or employees for the purposes of the service area.

370 (ii) The county legislative body shall charge costs of those services to the service area and  
371 require them to be paid to the county treasurer for the general fund of the county.

372 (3) At any time after the creation of a board of trustees as provided in Subsection (1), if  
373 no elected board has been established as provided in this section, the county legislative body of  
374 the county in which the service area is located may:

375 (a) by ordinance, delegate its powers to an appointed or elected board of trustees as  
376 provided in Chapter 1, Part 3, Special District Board Selection Procedures; and

377 (b) provide for the appointment or election of the board by following the procedures and  
378 requirements of Chapter 1, Part 3, Special District Board Selection Procedures.

379 (4) At any time after the creation of a board of trustees as provided in Subsections (2) and  
380 (3), the county legislative body shall hold an election for trustees by following the procedures and  
381 requirements of Chapter 1, Part 3, Special District Board Selection Procedures, if:

382 (a) the county legislative body receives a petition requesting that an election for trustees  
383 be held that is:

384 (i) signed by at least 10% of persons eligible to vote in an election in a service area  
385 authorized under this part; and

386 (ii) filed with the county legislative body at least 30 days before the date set for a bond  
387 election or 90 days before the date set for any municipal election; or

388 (b) territory located within a municipality is annexed into the county service area under  
389 ~~[Section 17A-2-417]~~ Title 17B, Chapter 2, Part 5, Annexation.

390 (5) (a) If there is no elected board of trustees at the time of the first bond election, trustees  
391 shall be elected in conjunction with that bond election.

392 (b) Candidates for election to the board of trustees shall be taxpayers and qualified voters  
393 in the service area.

394 (c) At any time within 30 days after the county legislative body has called a bond election,  
395 but not less than 15 days before the day of election, any person who is qualified to vote in the  
396 service area may file a signed statement with the county clerk announcing the person's candidacy  
397 to be one of the first elected trustees of the service area.

398 (d) The board of trustees shall provide a ballot separate from the bond ballot that contains  
399 the names of the candidates and blanks in which the voters may write in additional names.

400 (e) A voter at the election may vote for the number of trustee positions to be filled.

401 (f) The persons receiving the highest number of votes at the election are members of the  
402 board of trustees.

403 (6) (a) Each member of the board of trustees may vote on all questions, orders, resolutions,  
404 and ordinances coming before the board.

405 (b) Notwithstanding Section 17B-2-404, if the county legislative body acts as the board of  
406 trustees, no compensation may be paid to them as trustees.

407 (c) Each trustee who is also a member of the county legislative body shall take the oath  
408 of office and shall give the bond that is required by law for members of the county legislative body.

409 (7) All qualified voters in the service area may vote in elections to select trustees and in  
410 elections to approve the issuance of bonds.

411 (8) Following the election or appointment of the first trustees, each elected trustee shall  
412 be elected according to the procedures and requirements of Chapter 1, Part 3, Special District  
413 Board Selection Procedures.

414 (9) Each vacancy of an elected trustee in office shall be filled according to the procedures  
415 and requirements of Chapter 1, Part 3, Special District Board Selection Procedures.

416 (10) (a) The provisions of Title 17B, Chapter 2, Part 4, Board of Trustees, apply to each  
417 county service area to the same extent as if the county service area were a local district under Title  
418 17B, Chapter 2, Local Districts.

419 (b) (i) If a change in the number of board of trustees members is necessary to comply with  
420 the requirements of Subsection 17B-2-402(1), the board of trustees may by majority vote,  
421 notwithstanding Subsection 17B-2-402(3), change the number of board members to the next odd  
422 number higher or lower than the number of current board members.

423 (ii) If a change under Subsection (10)(b)(i) decreases the number of board members, the  
424 change may not take effect until the expiration of the term of the member whose term next expires.

425 (iii) If a change in the number of board members necessitated by Subsection 17B-2-402(1)  
426 would cause the district to violate a provision of bonds issued by the district, the number of board  
427 members may be modified to the extent necessary to avoid a violation.

428 (c) (i) If a change in the expiration date of the term of a board of trustees member is

429 necessary to comply with the requirements of Subsection 17B-2-403(1), the term of each board  
430 member whose term expires on a day other than the first Monday in January shall be extended to  
431 the first Monday in January after the normal expiration date next following the special district  
432 election date under Section 17A-1-305.

433 (ii) If a change in the length of the term of a board of trustees member is necessary to  
434 comply with the requirements of Subsection 17B-2-403(2), the change may not take effect until  
435 the expiration of the term of the member whose term length is to be changed.

436 Section 8. Section **17A-2-413** is amended to read:

437 **17A-2-413. Adding a new service within county service area.**

438 ~~[(1) (a) After a] A~~ county service area ~~[is established, the board]~~ may ~~[extend the types of~~  
439 ~~services]~~ begin to provide within the boundaries of the county service area a service that it had not  
440 previously provided [by the area] by using the procedures set forth in [this part] Title 17B, Chapter  
441 2, Part 2, Creation of Local Districts, for the creation of ~~[the]~~ a county service area as though a new  
442 county service area were being created to provide that service.

443 ~~[(b) If the board extends the services provided, it shall make the appropriate changes in~~  
444 ~~the wording of the required instruments.]~~

445 ~~[(2) If a county service area is abandoned as provided in this part, the county legislative~~  
446 ~~body may:]~~

447 ~~[(a) discontinue any services for which the county service area was created; or]~~

448 ~~[(b) dissolve the county service area if the area has no bonds or other indebtedness~~  
449 ~~outstanding.]~~

450 Section 9. Section **17A-2-422** is amended to read:

451 **17A-2-422. Proposal to incur indebtedness -- Resolution -- Notice -- Hearing --**  
452 **Calling of bond election -- Written protests.**

453 (1) (a) A proposal to incur indebtedness which would cause the total county debt to exceed  
454 the county taxes for the current year or which would not be payable within one year, as the case  
455 may be, may be originated by a majority vote of the board of trustees or by petition of not less than  
456 100 property owners or 10% of all the property owners, whichever is less, who own property  
457 within the county service area or by petition of not less than 10% of all the qualified voters residing  
458 in the county service area.

459 (b) The proposal shall specify the particular purpose for which the indebtedness is to be

460 created, the amount in money of bonds which it is proposed to issue and the name and number of  
461 the county service area.

462 (2) After the proposal has been made, the board of trustees, as expeditiously as possible,  
463 shall adopt a resolution fixing a time and place at which the proposal shall be heard, which time  
464 shall be not less than 30 nor more than 60 days after the date of adoption of the resolution.

465 (3) (a) The board of trustees shall immediately issue a notice of the time and place of  
466 hearing, which notice shall state that all persons who own property in the service area when the  
467 debt is payable solely from within the county service area or all persons residing in the county  
468 when the debt is countywide may appear at the hearing and contend for or protest against the  
469 incurrence of the debt and the holding of a bond election.

470 (b) If the service area has issued bonds, the notice shall include a statement of the amount  
471 of outstanding bonds of the service area and shall indicate whether the bonds are general  
472 obligations of the county or are payable solely from within the county service area.

473 (4) (a) The board of trustees shall cause the notice to be published once a week during four  
474 consecutive weeks in a newspaper of general circulation in the county, the first publication to be  
475 not more than 60 days nor less than 28 days prior to the date of the hearing.

476 (b) It is not necessary that the notice be published on the same day of the week in each of  
477 four calendar weeks, but not less than 20 days shall intervene between the first publication and the  
478 last publication.

479 (5) At the time and place set for the hearing of the petition, or upon a subsequent date fixed  
480 at the original hearing the board of trustees shall proceed to hear the proposal and all matters in  
481 respect to a bond election.

482 (6) If, upon the hearing of the proposal, the board of trustees finds that due notice has been  
483 given and that the services under discussion would be for the benefit of all taxable property or the  
484 real property owners situated in the service area, then the board shall make and cause to be entered  
485 of record upon its minutes an order so finding, and shall proceed to call the bond election and, if  
486 a majority of those voting, vote in the affirmative, to issue the bonds in the manner provided.

487 (7) The board may reduce the amount in money of the bonds named in the petition.

488 (8) (a) If written protests are filed prior to the date fixed for the original hearing, signed  
489 by property owners owning taxable property in the service area with a taxable value in excess of  
490 40% of the taxable value of all the taxable property within the service area, according to the last



491 assessment roll for county taxes completed prior to the holding of the election or by 40% of all the  
492 qualified voters residing in the county service area or by 40% of all the qualified voters residing  
493 in the county, the board does not have authority to proceed with the calling of the election, and no  
494 new petition for a bond election in the service area may be entertained for a period of 12 months  
495 from that time.

496 (b) If written protests are filed and the board of trustees determines that the protests so  
497 filed represent less than the 40% required, a resolution or finding in writing of the board calling  
498 the election shall so recite and the recital shall be conclusive.

499 ~~[(9) The provisions of this section and of Section 17A-2-407 with regard to publication~~  
500 ~~of notice in a newspaper may be carried out concurrently.]~~

501 Section 10. Section **17A-2-530** is amended to read:

502 **17A-2-530. Viewing of annexed land by board of trustees -- Assessment for taxation**  
503 **-- Board of equalization -- Hearing -- Notice -- Lien for taxes.**

504 (1) The board of trustees shall, as soon as practicable after ~~[the recording of the order of]~~  
505 an annexation of land to the district under Title 17B, Chapter 2, Part 5, Annexation:

506 (a) view each tract of land so annexed to the district;

507 (b) carefully consider all the damages and benefits that each particular tract of land shall  
508 receive from the annexation to the drainage district and from the construction and maintenance of  
509 such drainage system; and

510 (c) assess each tract of land in accordance with the benefits to be received by it, making  
511 proper allowance for damage, if ~~[there be]~~ any.

512 (2) After the assessment under Subsection (1) is made, ~~[the secretary of]~~ the board of  
513 trustees shall transmit the assessment to the county legislative body.

514 (3) (a) The county legislative body shall:

515 (i) at its next regular meeting fix a time and place where it shall sit as a board of  
516 equalization and equalize and determine the benefits and taxes to be assessed against the land; and

517 (ii) except as provided in Subsection (3)(b), publish a notice of the board of equalization  
518 hearing at least once each week for two consecutive weeks in a newspaper having general  
519 circulation in the county or counties where the drainage district is situated.

520 (b) If the annexation resulted from a petition signed by all the owners of real property  
521 within the annexed area whose addresses were included in the petition, the county legislative body

522 may, in lieu of the notice under Subsection (3)(a)(ii), give notice of the board of equalization  
523 hearing by mailing a copy of the notice to each owner of real property at the address stated in the  
524 petition.

525 (c) (i) The first publication of the notice required under Subsection (3)(a)(ii) shall not be  
526 less than 15 days or more than 30 days prior to the date of the hearing.

527 (ii) If the residence or post office address of an owner of the lands so annexed is known,  
528 the county clerk shall cause a copy of the notice and a copy of the proposed benefits to be sent by  
529 United States mail to the landowner at least 15 days prior to the time fixed for the hearing.

530 (d) The notice shall state generally the purpose of the hearing and the time and place where  
531 the county legislative body shall meet as a board of equalization to hear and determine any  
532 complaint against the assessments.

533 (4) (a) The county legislative body, at the time and place stated in the notice, shall sit as  
534 a board of equalization and shall make and determine the benefits to be assessed against each tract  
535 of annexed land.

536 (b) The assessment of benefits shall be added to and made a part of the benefit assessment  
537 roll of the drainage district, and thereafter:

538 (i) all such lands, easements, or interests in land shall be assessed in accordance with the  
539 assessment roll; and

540 (ii) such assessment roll of benefits and taxes or user fees or charges shall be the basis of  
541 a lien upon the parcels of land or interest in land as thus equalized for all district purposes and  
542 indebtedness.

543 Section 11. Section **17A-2-622** is amended to read:

544 **17A-2-622. Election regarding issuance of bonds.**

545 (1) After a fire protection district has been created, a petition may be presented to the fire  
546 protection district board of trustees requesting the board to order an election to determine whether  
547 the bonds of the district shall be issued to the amount and for the purpose or purposes stated in the  
548 petition. [~~Such petition shall comply in all respects to the requirements of Section 17A-2-602~~  
549 ~~hereof, except shall be made to the fire protection district board of trustees. After the filing of the~~  
550 ~~petition, the board of trustees' procedure in respect to publication of notice, contents of notice,~~  
551 ~~hearing and determination of petition, continuance, objections, determination of amount of bonds~~  
552 ~~shall comply, as nearly as practicable, with Sections 17A-2-603 and 17A-2-604.]~~

553 (2) (a) Each petition under Subsection (1) shall be signed by 25% or more of the holders  
554 of title of real property, or documentary evidence of title, within the boundaries of the district  
555 whose names appear as such upon the last county assessment roll.

556 (b) If the petition is signed by all of the holders of title or documentary evidence of title  
557 within the boundaries of the district, a hearing on the petition and election shall be dispensed with.

558 (3) (a) The board of trustees shall set a time and place for hearing upon the petition, which  
559 shall be not less than four nor more than six weeks from the date of the filing.

560 (b) The board of trustees shall publish a notice of the time of the hearing once each week  
561 for three successive weeks, previous to the time of the hearing, in a newspaper published within  
562 the county, or if there is no newspaper so published, then by posting the notice in at least three  
563 public places in the district for a period of 15 days.

564 (c) Each notice under Subsection (3)(b) shall state that any taxpayer within the district may  
565 appear on the date fixed for the hearing and offer objection to the issuance of bonds of such  
566 district.

567 (4) (a) At the time and place fixed for the hearing on the petition or at any adjournment  
568 or adjournments of the hearing, which shall not extend the time for determining the petition for  
569 more than 30 days in all from the original date of hearing, the board of trustees shall hear the  
570 petition and all competent and relevant evidence, oral or written, in support of or in objection to  
571 the petition.

572 (b) The board of trustees shall, after a full hearing, determine whether an election should  
573 be held on the question of issuing the bonds.

574 ~~[(2)]~~ (5) Adoption of [the] a resolution calling the election, determination of voters'  
575 qualifications, notice and conduct of the election, and the canvass of election results shall be  
576 accomplished in the manner prescribed in Title 11, Chapter 14, Utah Municipal Bond Act. The fire  
577 protection district board of trustees, for purposes of the election, may treat the entire district as a  
578 single precinct or divide the district into several precincts and it may fix such polling places as they  
579 consider appropriate.

580 Section 12. Section **17A-2-706** is amended to read:

581 **17A-2-706. Regular election of district for electing board members -- Election**  
582 **provisions -- Official bond -- Fiscal agents.**

583 (1) ~~[The]~~ (a) Except as provided in Subsection (2), the regular election of the district, for

584 the purpose of electing a board of trustees, shall be held according to the procedures and  
585 requirements of Title 17A, Chapter 1, Part 3, Special District Board Selection Procedures.

586 (2) (a) Each ballot used in an election under Subsection (1) shall contain the names of the  
587 persons to be voted for as members of the board of trustees.

588 (b) Each landowner may vote for three trustees, one for each division.

589 (c) Each elector is entitled to cast one vote for each acre-foot of water or fraction of  
590 acre-foot allotted to the land owned by the elector.

591 (d) The board of trustees shall:

592 (i) meet on the first Monday next succeeding the election under Subsection (1) and canvass  
593 the returns of the election;

594 (ii) declare the persons receiving the highest number of votes for the several offices to be  
595 duly elected to the office; and

596 (iii) file the returns with the county clerk.

597 ~~(2)~~ (3) (a) If any district organized under this part is appointed fiscal agent of the United  
598 States or is authorized by the United States to collect money for and on behalf of the United States  
599 in connection with any federal project, each trustee shall execute an additional official bond in  
600 whatever sum that the Secretary of the Interior requires, conditioned upon the faithful discharge  
601 of the duties of the trustee's office.

602 (b) The district shall execute an additional bond for the faithful discharge by the district  
603 of its duties as fiscal or other agent of the United States under that appointment or authorization.

604 (c) Those additional official bonds shall be filed in the office of the county clerk.

605 (d) The United States or any person injured by the failure of a trustee or of the district to  
606 fully, promptly, and completely perform their respective duties may sue upon those official bonds.

607 Section 13. Section **17A-2-714** is amended to read:

608 **17A-2-714. Judicial notice -- Presumptions as to organization.**

609 ~~[Judicial]~~ For a district created before March 23, 1998, judicial notice shall be taken in all  
610 actions, suits, and judicial proceedings in any court of this state of the organization and existence  
611 of any irrigation district of this state, ~~[now or hereafter organized,]~~ from and after the filing in the  
612 office of the county clerk of the order of the county legislative body ~~[mentioned in Section~~  
613 ~~17A-2-705]~~ creating the district and a certified copy of the order shall be prima facie evidence in  
614 all actions, suits and proceedings in any court of this state of the regularity and legal sufficiency

615 of all acts, matters, and proceedings [~~therein recited and set forth~~] relating to the creation of the  
616 district; and any such irrigation district, in regard to which any such order has been heretofore or  
617 may hereafter be [~~entered~~] issued, and which has exercised or shall exercise the rights and powers  
618 of such a district, and shall have had or shall have in office a board of trustees exercising the duties  
619 of their office, the legality or regularity of the formation or organization whereof shall not have  
620 been questioned by proceedings in quo warranto instituted in the district court of the county in  
621 which such district or the greater portion thereof is situated within one year from the date of such  
622 filing, shall be conclusively considered to be a legally and regularly organized, established and  
623 existing irrigation district within the meaning of this part, and its due and lawful formation and  
624 organization shall not thereafter be questioned in any action, suit or proceeding whether brought  
625 under the provisions of this part or otherwise.

626 Section 14. Section **17A-2-715** is amended to read:

627 **17A-2-715. Issuance of bonds -- Special election -- Contract with the United States**  
628 **-- Additional bonding -- Validation of previous issues.**

629 For the purpose of constructing or purchasing or acquiring necessary reservoir sites,  
630 reservoirs, water, water filings, water rights, canals, ditches and works, stock of irrigation, canal,  
631 or reservoir companies, and other necessary property and rights, for the assumption of any  
632 indebtedness to the United States, for the purpose of paying interest upon the bonds herein  
633 authorized during the period of construction and for not more than four years thereafter, and  
634 otherwise carrying out the provisions of this part, the board of trustees of any such district shall  
635 as soon after such district has been organized as may be practicable, estimate and determine the  
636 amount of money necessary to be raised for such purposes, and shall forthwith call a special  
637 election, at which election shall be submitted to the landowners of such district, possessing the  
638 qualifications prescribed by this part, the question of whether or not the bonds of the district shall  
639 be issued in the amount so determined. Notice of such election shall be given by posting notice  
640 in one public place in each election precinct in the district for at least 20 days, and also by  
641 publication in the manner prescribed in [~~Section 17A-2-702~~] Subsection 17A-2-751(2). Such  
642 notice shall specify the time of holding the election, the amount and purpose of bonds proposed  
643 to be issued, and the election must be held and the result thereof determined and declared in all  
644 respects as nearly as possible in conformity with the provisions of this part governing the election  
645 of officers; provided, that no informalities in conducting such election shall invalidate the same,

646 if the elections have been otherwise fairly conducted. At such election, the ballots shall contain  
647 the words "Bonds -- Yes," or "Bonds -- No," or words equivalent thereto. If a two-thirds majority  
648 of the votes cast at such election are "Bonds --Yes," the board of trustees shall cause the bonds to  
649 be executed and payable in series as follows, to wit:

650 Not later than at the expiration of 11 years, and annually, after the date of first payment of  
651 principal amount, a certain percentage, not less than 3%, of the whole amount and number of the  
652 bonds; at the expiration of the final period for which the bonds have been issued, which period  
653 shall in no event exceed 40 years, a percentage sufficient to pay off the remainder of the bonds;  
654 that the several enumerated percentages be of the entire amount of the bond issue; that each bond  
655 must be payable at the given time for its entire amount, and not for percentage. That the bonds  
656 shall bear interest at the rate of not to exceed 6% per annum, payable semiannually on the 1st day  
657 of June and December of each year.

658 The principal and interest shall be payable at the office of the county treasurer of the county  
659 in which the organization of the district was effected as aforesaid, and at such other places as the  
660 board of trustees may designate in such bonds. The bonds shall be each of the denomination of not  
661 less than \$100, nor more than \$1,000, shall be negotiable in form, executed in the name of the  
662 district and signed by the chair and secretary and the seal of the district shall be affixed thereto.  
663 Bonds deposited with the United States may call for the payment of such interest not exceeding  
664 6% per annum, may be of such denomination, and may call for the repayment of the principal at  
665 such times as may be agreed upon between the board and the United States, and where contract  
666 is made and bonds are not deposited with the United States, the contract may likewise call for the  
667 repayment of the principal at such time as may be agreed upon. The bonds shall be numbered  
668 consecutively as executed and bear the date of authorization. Coupons for the interest shall be  
669 attached to each bond bearing the printed or lithographed facsimile of the signature of the chair and  
670 the secretary. The bonds shall express on their face that they are issued by the authority of this part,  
671 stating its title and date of approval. The secretary shall keep a record of the bonds sold, their  
672 number, date of sale, the price received, the name of the purchaser and may keep a transfer  
673 register; provided, any such district may provide for the issuance of bonds that will mature in any  
674 number of years less than 40, and arrange for the payment thereof, in series as above provided;  
675 provided, further, that when the money obtained from any previous issue of bonds has become  
676 exhausted by expenditures, herein authorized therefor, and it becomes necessary to raise additional

677 money for such purposes, additional bonds may be issued after submitting the question at a special  
678 election to the qualified voters of the district, and otherwise complying with the provisions of this  
679 section in respect to an original issue of such bonds; provided, also that the lien for taxes, for the  
680 payment of interest and principal for any bond issue, or for any indebtedness under any contract  
681 with the United States for or with which bonds have not been deposited, shall be a prior lien to that  
682 of any subsequent bond issue.

683 All bonds heretofore executed by any irrigation district wherein the proceedings for the  
684 organization of such district and authorizing the issuance of such bonds have been approved and  
685 confirmed by the district court of the judicial district within which such irrigation district is  
686 located, are hereby confirmed and validated.

687 Section 15. Section **17A-2-730** is amended to read:

688 **17A-2-730. Exclusion of lands from district.**

689 [~~Lands~~] (1) Land may be [~~included in or~~] excluded from [~~any~~] an irrigation district[~~, now~~  
690 ~~or hereafter organized under the provisions of~~] as provided in this part[~~, in the manner herein~~  
691 ~~prescribed; but any such inclusion or~~].

692 (2) An exclusion of [~~lands shall~~] land may not impair or affect the district organization or  
693 its rights in or to property, or any of its rights or privileges [~~of whatsoever kind or nature~~], nor  
694 [~~shall~~] may it affect, impair, or discharge any contract, obligation, lien, or charge for or upon which  
695 it was or might become liable or chargeable had [~~such inclusion or~~] the exclusion [~~of lands~~] not  
696 [~~been made; provided that in case~~] occurred.

697 (3) If a contract has been made between the district and the United States as provided in  
698 this part, no [~~lands shall~~] land may be [~~included in or~~] excluded from the district until the United  
699 States [~~shall assent thereto~~] consents in writing to the exclusion and [~~such assent be~~] the consent  
700 is filed with the board of [~~directors~~] trustees.

701 Section 16. Section **17A-2-738** is amended to read:

702 **17A-2-738. Redivision of districts.**

703 At least 30 days before the next general election of [~~such~~] a district[~~, after the inclusion~~]  
704 under this part following an annexation of lands under Title 17B, Chapter 2, Part 5, Annexation,  
705 that occurs on or after June 1, 2001, or following an exclusion of land under this part, the board  
706 of [~~directors thereof~~] trustees shall make an order redividing [~~such~~] the district into three divisions  
707 as nearly equal in size as [~~may be~~] practicable[~~, which~~]. The divisions shall be numbered first,

708 second, and third, and one [~~director~~] trustee shall [~~thereafter~~] be elected from each division.

709 Section 17. Section **17A-2-741** is amended to read:

710 **17A-2-741. Notice of petition -- Objections.**

711 The secretary of the board of trustees shall cause a notice of the filing of such petition to  
712 be published as in [~~Section 17A-2-702~~] Subsection 17A-2-751(2) provided; or if no newspaper be  
713 published as therein provided, then by posting such notice for the same time in at least three public  
714 places in the district, and in case of the posting of those notices, one of the notices shall be so  
715 posted on the lands proposed to be excluded. The notice shall state the filing of such petition, the  
716 names of the petitioners, description of the lands mentioned in the petition, and the prayer of the  
717 petitioners; and it shall notify all persons interested to appear at the office of the board at a time  
718 named in the notice, and show cause in writing, if any they have, why the petition should not be  
719 granted. The time to be specified in the notice at which they shall be required to show cause shall  
720 be the regular meeting of the board next after the expiration of the time for the publication of the  
721 notice. The petitioner or petitioners shall advance to the secretary sufficient money to pay the  
722 estimated cost of all proceedings under such petition before the secretary shall give such notice.

723 Section 18. Section **17A-2-749** is amended to read:

724 **17A-2-749. Special proceedings for judicial examination.**

725 The board of trustees of an irrigation district [~~organized under the provisions of this part~~]  
726 may commence special proceedings, in and by which all proceedings had in the organization of  
727 the district or in and by which its acts and the acts of the district in authorizing the issue and sale  
728 of the bonds of the district or providing for the authorization of contract with the United States and  
729 the validity of such contract, whether the bonds or any of them have or have not been sold or  
730 disposed of, or such contract or proposed contract shall or shall not have been actually signed by  
731 the United States or the district, may be judicially examined, approved and confirmed.

732 Section 19. Section **17A-2-751** is amended to read:

733 **17A-2-751. Notice -- Contest -- Time for hearing.**

734 (1) The court shall fix the time for the hearing of the petition and shall order the clerk of  
735 the court to give and publish notice of the filing of the petition. [~~The notice shall be given and~~  
736 ~~published as in Section 17A-2-702.~~]

737 (2) (a) The notice required under this section shall be published once a week for three  
738 consecutive weeks in a newspaper of general circulation in the county or, if the district is located



739 in more than one county, in the counties in which the district is located, with the last publication  
740 being at least one week before the date set for the hearing.

741 (b) The notice shall state the time and place fixed for the hearing of the petition and the  
742 prayer of the petitioners, and that any person interested in the organization of the district, or in the  
743 proceedings for the issue or sale of the bonds, or in the making of contract with the United States,  
744 may, on or before the day fixed for the hearing of the petition, [~~demur to or~~] answer the petition.

745 (c) The petition may be referred to and described in the notice as the petition of the board  
746 of trustees of \_\_\_\_\_ irrigation district (giving its name) praying that the proceedings for the issue  
747 and sale of the bonds of the district, or that the proceedings for the contract with the United States,  
748 or the proceedings had for the organization of the district and the validity thereof, be examined,  
749 approved and confirmed by the court.

750 Section 20. Section **17A-2-752** is amended to read:

751 **17A-2-752. Parties -- Appearances -- Practice and procedure.**

752 Any person interested in the district, or in the issue or sale of the bonds, or in the making  
753 of contract with the United States, may [~~demur to or~~] answer the petition. The provisions of the  
754 Code of Civil Procedure respecting the [~~demurrer and~~] answer to a verified complaint shall be  
755 applicable to [~~a demurrer and~~] an answer to the petition. The person so [~~demurring or~~] answering  
756 the petition shall be the defendant to the special proceedings, and the board of trustees shall be the  
757 plaintiff. Every material statement of the petition not specifically controverted by the answer shall,  
758 for the purpose of the special proceedings, be taken as true, and each person failing to answer the  
759 petition shall be considered to admit as true all the material statements of the petition. The rules  
760 of pleading and practice relating to appeals and writs of error provided by the Rules of Civil  
761 Procedure which are not inconsistent with the provisions of this part are applicable to the special  
762 proceedings herein provided for.

763 Section 21. Section **17A-2-754** is amended to read:

764 **17A-2-754. Transfer of water rights -- Notice to landowners.**

765 The board of trustees of any irrigation district, with the consent of the bondholders and  
766 other creditors, may sell, transfer, and convey the water rights and all or any other property  
767 belonging to the district to any irrigation company; provided, however, that no such sale, transfer,  
768 or conveyance shall be made until notice of the intention of the board to make the same shall have  
769 been published, as in [~~Section 17A-2-702~~] Subsection 17A-2-751(2), and mailed to each

770 landowner in the district at his last known address at least 30 days prior to the expiration of the  
771 time fixed for protest, and provided further that no such sale, transfer, or conveyance shall be made  
772 if within 30 days from the last publication of such notice the owners of 1/3 of the acre-feet of water  
773 allotted in the district file with the board their written protest against such sale, transfer, or  
774 conveyance.

775 Section 22. Section **17A-2-758** is amended to read:

776 **17A-2-758. Local improvement districts.**

777 In the event the board shall find the proposed local improvement feasible, it shall approve  
778 the petition, fix a time and place for the hearing thereof, and shall publish notice thereof, as in  
779 [~~Section 17A-2-702~~] Subsection 17A-2-751(2), stating that the certain lands, describing them, are  
780 proposed to be organized as a local improvement district and stating generally the nature of the  
781 proposed improvements; that warrants for such local improvement are proposed to be issued as  
782 the warrants of the irrigation district; and that the lands within the local improvement district are  
783 to be assessed for such improvement. At the time and place of hearing named in the notice all  
784 persons interested may appear before the board and show cause for or against the formation of the  
785 proposed improvement district and the issuance of warrants as aforesaid. Upon the hearing the  
786 board shall determine whether or not the proposed local improvement district shall be established.  
787 Any landowner whose lands can be served or will be benefitted by the proposed improvement may  
788 make application to the board at the time of hearing to include such lands, and the board of trustees  
789 in such case may, at their discretion, include such lands within such district. The board of trustees  
790 may exclude any land specified in the notice from the district, provided that in the judgment of the  
791 board the inclusion thereof will not be practicable.

792 Section 23. Section **17A-2-759** is amended to read:

793 **17A-2-759. Establishment -- Limit as to costs -- Authorization -- Construction**  
794 **warrants -- Orders.**

795 If the board determines in favor of the improvement it shall enter an order establishing the  
796 improvement district and shall list and plat lands included therein, and shall adopt plans for the  
797 proposed improvement, estimate the cost, and determine the number of equal annual installments,  
798 in which the cost of the improvement shall be paid; provided, however, that no local improvement,  
799 the cost of which will exceed \$10,000 and be less than \$25,000, may be undertaken unless such  
800 improvement is first authorized and ratified, in writing, by a majority of the landowners within the

801 local improvement district; nor may any improvement the cost of which will exceed \$25,000 be  
802 undertaken unless first authorized and ratified, in writing, by a two-thirds majority of the  
803 landowners within the local improvement district, and not then if protests, in writing, signed by  
804 landowners of the irrigation district having a majority of the votes according to the number of  
805 votes cast at the last election, be submitted within 30 days after completion of publication of notice  
806 of the proposed improvement, published as in [~~Section 17A-2-702~~] Subsection 17A-2-751(2). The  
807 cost of such improvement shall be paid by the issuance of the warrants of the district, from time  
808 to time, therefor, either directly for the payment of the labor and material or for the securing of the  
809 funds for such purposes. The warrants shall bear interest at a rate of not to exceed 7% per annum,  
810 payable semiannually, and shall state upon their face that they are issued as warrants of the  
811 irrigation district for the benefit of the local improvement district within the irrigation district, that  
812 all lands within the local improvement district shall be primarily liable to assessment for the  
813 principal and interest of the warrants, and that such warrants are also a general obligation of the  
814 district. No warrant may be issued in denomination exceeding \$500 and no warrant shall be sold  
815 for less than par. A copy of the order establishing any local improvement district, together with  
816 list and plat of lands included, certified by the chair and secretary, shall be filed in the office of the  
817 clerk of the county in which the lands are located and recorded in [~~accordance with the provisions~~  
818 ~~of Section 17A-2-705 relating to the filing and recording of the order declaring the organization~~  
819 ~~of the irrigation district~~] the office of the recorder of the same county.

820 Section 24. Section ~~17A-2-801~~ is amended to read:

821 **17A-2-801. Title.**

822 This act shall be known as the "Metropolitan Water District Act." [~~and shall apply to the~~  
823 ~~incorporation, organization, government, maintenance and operation of the water districts herein~~  
824 ~~provided for and described, and to the board of trustees herein referred to.]~~

825 Section 25. Section ~~17A-2-803~~ is amended to read:

826 **17A-2-803. Purpose of metropolitan water district.**

827 [~~(1) Metropolitan~~] A metropolitan water [districts] district may [~~be organized hereunder~~  
828 ~~for the purpose of acquiring, appropriating, developing, storing, selling, leasing and distributing~~  
829 acquire, appropriate, develop, store, sell, lease, and distribute water for, and [~~devoting~~] devote  
830 water to, municipal and domestic purposes, irrigation, power, milling, manufacturing, mining,  
831 metallurgical and any and all other beneficial uses[~~, and such district may be formed of the territory~~

832 included within the corporate boundaries of any one or more municipalities, which need not be  
833 contiguous, and may be organized and incorporated and thereafter governed, maintained and  
834 operated as herein provided, and when so incorporated shall have and exercise such powers as are  
835 herein expressly granted, together with such powers as are reasonably implied herefrom and  
836 necessary and proper to carry out the objects and purposes of such incorporated districts. Each  
837 such district when so incorporated shall be a separate and independent political corporate entity].

838 [~~(2) All provisions of this part that establish, govern, or state the requirements and  
839 procedure for the creation of a metropolitan water district:]~~

840 [~~(a) are superseded by the provisions of Title 17B, Chapter 2, Part 2, Creation of Local  
841 Districts, with respect to the creation of a metropolitan water district, and]~~

842 [~~(b) remain valid to the extent they establish, govern, or state the requirements or  
843 procedure for annexation to an existing metropolitan water district.]~~

844 Section 26. Section ~~17A-2-842~~ is amended to read:

845 **17A-2-842. Withdrawal from district.**

846 [~~Any~~] (1) A municipality whose corporate area has become or is a part of [any] a  
847 metropolitan water district may withdraw [therefrom in the following manner:] from the district  
848 as provided in this section.

849 (2) The [governing] legislative body of any such municipality may submit to the [electors  
850 thereof] voters of the municipality at any general or special election the proposition of withdrawing  
851 from [any] a metropolitan water district [incorporated thereunder]. [Notice of such election shall  
852 be given in the manner provided in Subsection 17A-2-841(3)(c). Such]

853 (3) The municipal legislative body shall give notice of the election by:

854 (a) posting the notice at least ten days and in three public places in the municipality; or

855 (b) publishing the notice once in a newspaper of general circulation in the municipality at  
856 least ten days before the date fixed for the election.

857 (4) (a) Each election under this section shall be conducted and the returns [thereof]  
858 canvassed in the manner provided by law for the conduct of municipal elections in the [city]  
859 municipality. [In the event that the]

860 (b) If a majority of the electors voting [thereon] on the withdrawal question vote in favor  
861 of [such] withdrawal, the result [thereof] shall be certified by the [governing] legislative body of  
862 [such] the municipality to the board of trustees of the district. [A certificate of the proceedings

863 hereunder shall be made by the]

864 (5) (a) The secretary of the district shall prepare and [filed] file with the lieutenant  
865 governor[; and upon] a certificate of the withdrawal proceedings.

866 (b) Upon the filing of [such] a certificate under Subsection (5)(a), the area of the  
867 municipality [so] withdrawing shall be excluded from the metropolitan water district[;] and shall  
868 no longer be a part [thereof; provided, however, that the property] of the district.

869 (6) Property within the municipality [as it exists] that is within the withdrawn area at the  
870 time of [such] the exclusion shall continue taxable for the purpose of paying the bonded and other  
871 indebtedness outstanding or contracted for, at the time of such exclusion and until such bonded  
872 or other indebtedness has been satisfied.

873 Section 27. Section **17A-2-1048** is amended to read:

874 **17A-2-1048. Board of trustees representation for newly annexed area.**

875 ~~[Additional municipalities and county areas may be included within or become part of a~~  
876 ~~district by either of the following methods:]~~

877 ~~[(1) If any area is annexed to or consolidated with any municipality which is a part of a~~  
878 ~~district organized under these provisions, the annexed or consolidated area shall by virtue of its~~  
879 ~~annexation or consolidation become part of the district and be taxable in accordance with the~~  
880 ~~provisions of this part to pay the indebtedness of the district outstanding at the time of annexation~~  
881 ~~or consolidation:]~~

882 ~~[(2) The governing body of any municipality or of any county may apply to and obtain~~  
883 ~~from the comptroller of the district a financial statement showing the financial condition of the~~  
884 ~~district, its assets and liabilities, taxable value of taxable property according to the last assessment,~~  
885 ~~and the names of the municipalities and a description of other areas included in the district. After~~  
886 ~~consideration of the statement, the governing body of the municipality or county may apply to the~~  
887 ~~board of trustees of the district for consent to annex the municipality or described county area. The~~  
888 ~~board of trustees after reasonable notice and public hearing may grant or deny the application and~~  
889 ~~in granting it may fix the terms and conditions upon which the area may be annexed. The action~~  
890 ~~of the board of trustees evidenced by order made on motion shall be promptly transmitted to the~~  
891 ~~governing body or bodies of the entities applying for annexation, which shall promptly submit the~~  
892 ~~proposition of annexation to the qualified electors of the area. Notice of election shall be given~~  
893 ~~by posting or publication. When notice is given by posting, notice shall be posted for at least ten~~

894 days in three public places in each area to be annexed. When notice is given by publication, notice  
895 shall be published at least once ten days before the date fixed for election in a newspaper of general  
896 circulation in the municipality and county area. Publication may be made in one newspaper having  
897 general circulation in each of the areas sought to be annexed. Notice shall contain the substance  
898 of the terms and conditions fixed by the board of trustees. Elections shall be conducted and returns  
899 canvassed by the governing bodies of the areas seeking annexation. If the annexation proposition  
900 receives the affirmative vote of a majority of the electors, the governing body of the municipality  
901 or county shall certify the election results to the board of trustees of the district and a certificate  
902 of proceedings shall be made by the secretary of the district and filed with the lieutenant governor.  
903 Upon filing the certificate in the office of the lieutenant governor, the municipality or county area  
904 shall become an integral part of the district and the taxable property in the municipality or area  
905 subject to taxation for the purposes of the district, including the payment of bonds and other  
906 obligations of the district at the time authorized or outstanding.]

907 [(3) No action to contest the validity of annexation proceedings may be commenced more  
908 than three months after the certificate of proceedings is filed with the lieutenant governor.]

909 [(4)] Upon the completion of an annexation under Title 17B, Chapter 2, Part 5,  
910 Annexation, the annexed area shall have a representative on the board of trustees on the same basis  
911 as it would have had if it had been included in the district as originally organized.

912 Section 28. Section **17A-2-1049** is amended to read:

913 **17A-2-1049. Withdrawal from district.**

914 (1) Any municipality or unincorporated county area may withdraw from the district as  
915 provided in [the following manner:] this section.

916 (2) (a) The [governing] legislative body of [such] a municipality seeking withdrawal, or,  
917 for an unincorporated area seeking withdrawal, the county, may submit to the electors at a special  
918 election a proposition for withdrawal from the district.

919 (b) Notice of election shall be given [in the manner provided in Section 17A-2-1048:] by:

920 (i) posting notice for at least ten days in three public places in each area to be withdrawn;  
921 or

922 (ii) publishing notice in a newspaper of general circulation in each municipality and  
923 unincorporated county area seeking withdrawal at least once ten days before the date of the  
924 election.

925           (3) Elections shall be conducted and returns canvassed in the manner provided by law for  
926 the conduct of municipal elections.

927           (4) (a) If a majority of the electors voting [~~thereon~~] on the withdrawal question vote in  
928 favor of withdrawal, the result [~~thereof~~] shall be certified by the [~~governing~~] legislative body of  
929 the municipality or, for an unincorporated area, the county, to the board of trustees of the district  
930 and filed with the lieutenant governor.

931           (b) Withdrawal shall become effective upon filing the certificate with the lieutenant  
932 governor.

933           (5) Taxable property within the withdrawn area at the time of exclusion shall continue  
934 taxable for purposes of paying any bonded indebtedness or judgments against the district incurred  
935 prior to the date of withdrawal.

936           Section 29. Section **17A-2-1420** is amended to read:

937           **17A-2-1420. Organization of subdistricts -- Authority -- Bonds -- Board of trustees**  
938 **-- Powers -- Validation of proceedings -- Separability clause.**

939           (1) Subdistricts may be organized upon the petition of owners of real property, within or  
940 partly within and partly without the district, which petition shall be in substantially the same form  
941 and shall fulfill the same requirements concerning the subdistricts as the petition outlined in  
942 [~~Section 17A-2-1404~~] Subsection 17B-2-203(1) is required to fulfill concerning the organization  
943 of the main district. The petition shall also contain a statement of the initial quantity of water  
944 which the subdistrict proposes to acquire from the district for perpetual use[, ~~and the court shall,~~  
945 ~~prior to the entry of its decree organizing a subdistrict, require that the~~]. The petitioners shall  
946 attach to the petition written evidence of the consent of the board of trustees of the district to  
947 furnish each subdistrict the perpetual use of water for the purpose specified. [~~Petitions for the~~  
948 ~~organization of subdistricts shall be filed with the clerk of the court and shall be accompanied by~~  
949 ~~a bond as provided for in Section 17A-2-1405.~~] The procedure for the organization of subdistricts  
950 shall be the same as for the organization of districts[, ~~except that the provisions of Section~~  
951 ~~17A-2-1404 respecting the minimum taxable value of land and improvements within districts does~~  
952 ~~not apply to subdistricts~~]. A subdistrict shall be a separate entity within the district, may contract  
953 with the district for the furnishing of water and for other purposes, and in addition to any other  
954 authority granted under this part, may issue its bonds pursuant to and in conformity with the  
955 provisions of this part for the following purposes: (a) acquiring or constructing all or part of an

956 irrigation water system to be operated by the subdistrict for the purpose of providing irrigation  
957 water for agricultural and residential land within the boundaries of the subdistrict, including as a  
958 part of the subdistrict, the purchase or acquisition of stock in canal companies, water companies,  
959 and water users' associations and the acquisition or purchase of water rights and sources of water  
960 supply; and (b) constructing water pipelines and storage works, purchase of water and water rights,  
961 operation of waterworks systems for the purpose of providing municipal water within the  
962 boundaries of the subdistrict and for this purpose the subdistrict board has the same powers, rights,  
963 and privileges granted to a district board referred to in Sections 17A-2-1413, 17A-2-1421,  
964 17A-2-1422, and 17A-2-1424, to carry out its separate purposes under the provisions of this part.  
965 The subdistrict board may contract with the district for the furnishing of water for the purposes as  
966 stated in the initial petition as well as other purposes. Within 30 days after entering the decree  
967 incorporating a subdistrict, the county legislative body of the county shall appoint a board of  
968 trustees of the subdistrict not exceeding seven persons who are owners of real property in the  
969 subdistrict and who are not trustees of the district. Vacancies in subdistricts shall be filled by the  
970 county legislative body of the county. The board of trustees of a subdistrict has all of the powers,  
971 rights, and privileges granted to a district board, including specifically, but not limited to, the right  
972 of the subdistrict board to levy and collect taxes and assessments referred to in Sections  
973 17A-2-1423 through 17A-2-1430, to carry out its separate purposes, including the payment of  
974 principal and interest on bonds payable in whole or in part from the proceeds of assessments and  
975 taxes levied under this part issued by the subdistrict under this part. These taxes and assessments  
976 may be levied and collected by a subdistrict, notwithstanding the fact that taxes and assessments  
977 are being levied and collected by the district in which the subdistrict may lie, to carry out the  
978 district purposes; but the taxes levied and collected pursuant to Section 17A-2-1423 may not  
979 exceed .0002 per dollar of taxable value of taxable property within the subdistrict to pay the  
980 expenses of its organization and administration and may not exceed .0002 per dollar of taxable  
981 value of taxable property for all purposes.

982 (2) Each subdistrict created under this section may exercise all powers granted to  
983 subdistricts under this part, it being expressly found and determined that all taxable property lying  
984 in each subdistrict will be benefitted by the acquisition or construction of the improvements  
985 acquired or constructed by the district to an amount not less than the aggregate of the taxes and  
986 assessments levied against the property to pay for the cost of acquisition or construction. Wherever



987 proceedings are adopted under authority of this part purporting to create any subdistrict, all  
988 proceedings in connection with the creation of each subdistrict are validated, ratified, and  
989 confirmed, notwithstanding any failure to comply with any one or more pertinent statutory  
990 provisions; and each subdistrict is declared to be a validly created and existing subdistrict under  
991 authority of law.

992 (3) If any provision of this part, or the application of any provision to any person or  
993 circumstance, is held invalid, the remainder of this part is not affected.

994 Section 30. Section **17A-2-1821** is amended to read:

995 **17A-2-1821. Annexation areas to be included in election districts.**

996 [~~(1) The board of trustees shall annex the area by enacting a resolution that:]~~

997 [~~(a) declares the area to be annexed;]~~

998 [~~(b) determines and establishes the boundaries of the area that is annexed, which may not  
999 exceed the territory that had been proposed to be annexed; and]~~

1000 [~~(c) sets forth in detail whether the services are to be paid for by a property tax, service  
1001 charge, or a combination of both.]~~

1002 [~~(2) If an election has been held as provided in Section 17A-2-1820, and a majority of the  
1003 qualified electors voting on the proposed annexation vote in favor of the annexation, the board of  
1004 trustees shall adopt the resolution required under Subsection (1).]~~

1005 [~~(3) The resolution may contain any changes that the board of trustees considers necessary,  
1006 including the reduction of the boundaries of the annexation area.]~~

1007 [~~(4) (a) The board of trustees shall file a certified copy of the annexation resolution with:]~~

1008 [~~(i) the recorder of the county where the regional service area is located; and]~~

1009 [~~(ii) the State Tax Commission, along with evidence that the information has been  
1010 recorded by the county recorder.]~~

1011 [~~(b) Upon the filing with the county recorder, the annexation shall be complete and the  
1012 area described in the annexation resolution shall be part of the regional service area.]~~

1013 [~~(5) (a) Any aggrieved property owner or person qualified to vote, who has filed a signed  
1014 written protest within 90 days after the end of the hearing, may appeal the decision of the board  
1015 of trustees to annex the area to the district court.]~~

1016 [~~(b) In the appeal, the district court shall affirm the annexation unless the protesting  
1017 property owner or qualified elector can establish by clear and convincing evidence:]~~

1018 ~~[(i) that the board of trustees failed substantially to follow the procedural requirements for~~  
1019 ~~annexation under this part; or]~~

1020 ~~[(ii) that written protests were timely filed as required by Section 17A-2-1819.]~~

1021 ~~[(c) If an appeal is not filed within 30 days after the effective date of the resolution~~  
1022 ~~annexing the area, the annexation shall be final and conclusive.]~~

1023 ~~[(6) (a) If the annexation is based upon a referendum election as provided in Section~~  
1024 ~~17A-2-1820, any person qualified to vote who voted against the annexation in the referendum~~  
1025 ~~election may appeal the annexation to the district court.]~~

1026 ~~[(b) In the appeal, the district court shall affirm the annexation unless the registered voter~~  
1027 ~~challenging the annexation can establish by clear and convincing evidence:]~~

1028 ~~[(i) that there was an irregularity in the election that affected the outcome of the vote; or]~~

1029 ~~[(ii) that a majority of the qualified persons casting ballots in the referendum election~~  
1030 ~~voted against annexation.]~~

1031 ~~[(c) If an appeal is not filed within 30 days after the effective date of the resolution~~  
1032 ~~annexing the area pursuant to a referendum election, the annexation shall be final and conclusive:]~~

1033 ~~[(7) (a) Upon a signed petition by the property owner or person qualified to vote made~~  
1034 ~~within the time for filing protests as provided in Section 17A-2-1819, the board of trustees shall~~  
1035 ~~exclude land from the area to be annexed if:]~~

1036 ~~[(i) the land is contiguous to other land not included in the regional service area; and]~~

1037 ~~[(ii) the board of trustees finds that the land, the real property owner, or the residents of~~  
1038 ~~the land will not benefit from any of the services provided or proposed to be provided by the~~  
1039 ~~regional service area.]~~

1040 ~~[(b) The land may be included within the boundaries of the regional service area at the~~  
1041 ~~request of the owner.]~~

1042 ~~[(8)] If the regional service area has been divided into election districts, all [annexed] areas~~  
1043 ~~annexed to the regional service area under Title 17B, Chapter 2, Part 5, Annexation, shall be~~  
1044 ~~included in a trustee election district.~~

1045 ~~[(9) Voter registration records of the county shall be conclusive evidence of residency in~~  
1046 ~~the annexation area.]~~

1047 Section 31. Section **17A-3-244**, which is renumbered from Section 17A-2-326 is  
1048 renumbered and amended to read:

1049 ~~[17A-2-326].~~ **17A-3-244. Dissolution of districts -- Payment of claims.**

1050 Any special improvement district created under ~~[the authority of Chapter 2, Part 3 or~~  
1051 ~~Chapter 3, Part 2,]~~ this part may be dissolved by order of the district court of the county in which  
1052 it was created, upon a hearing had upon a petition to the court signed by the governing body of the  
1053 district. Said petition shall recite the reasons for the dissolution, that a resolution has been adopted  
1054 to dissolve the district, that all claims and demands against the district have been paid or that  
1055 provision has been made for the payment thereof.

1056 The court shall fix a day for the hearing thereon, not less than 30 or more than 60 days after  
1057 the petition is filed, and shall order that the clerk publish a notice of the said petition and hearing  
1058 in a newspaper of general circulation once a week for four successive weeks prior to such hearing.  
1059 Such notice shall specify the district to be dissolved, the date, time and place of said hearing, and  
1060 shall provide that all persons who have any objections to the dissolution of said district shall file  
1061 such objections in the office of said clerk of said court at or prior to the date of said hearing, and  
1062 all persons who have any claim against said district must present the same duly itemized and  
1063 verified by the affidavit of the claimant at or prior to the time of said hearing or be forever barred  
1064 from thereafter asserting said claims, and said notice shall be signed by the clerk of said court. No  
1065 district shall be ordered dissolved until said claims shall have been paid or until provision has been  
1066 made for the payment thereof, either by the levying and collecting of assessments or by other  
1067 means approved by the court.

1068 Section 32. Section **17B-2-101** is amended to read:

1069 **17B-2-101. Definitions.**

1070 As used in this chapter~~[-,"local]~~

1071 (1) "Local district" means a local government entity, created according to the provisions  
1072 of Part 2, Creation of Local Districts, that is not a general purpose government entity but is a  
1073 separate legal and corporate entity and a political subdivision of the state, authorized to provide  
1074 limited services in a defined geographic area, as provided in Part 2, Creation of Local Districts.

1075 (2) "Municipal" means of or relating to a municipality.

1076 (3) "Municipality" means a city or town.

1077 (4) "Political subdivision" means a county, city, town, local district under this chapter,  
1078 independent special district under Title 17A, Chapter 2, Independent Special Districts, an entity  
1079 created by interlocal cooperation agreement under Title 11, Chapter 13, Interlocal Cooperation Act,

1080 or any other governmental entity designated in statute as a political subdivision of the state.

1081 (5) "Private," with respect to real property, means not owned by the United States or any  
1082 agency of the federal government, the state, a county, a municipality, a school district, an  
1083 independent special district under Title 17A, Chapter 2, Independent Special Districts, a local  
1084 district, or any other political subdivision of the state.

1085 (6) "Unincorporated" means not included within a municipality.

1086 Section 33. Section **17B-2-102** is enacted to read:

1087 **17B-2-102. Property owner provisions.**

1088 (1) For purposes of this chapter:

1089 (a) the owner of real property shall be the fee title owner according to the records of the  
1090 county recorder on the date of the filing of the request or petition; and

1091 (b) the value of private real property shall be determined according to the last assessment  
1092 before the filing of the request or petition, as determined by:

1093 (i) the county under Title 59, Chapter 2, Part 3, County Assessment, for property subject  
1094 to assessment by the county;

1095 (ii) the State Tax Commission under Title 59, Chapter 2, Part 2, Assessment of Property,  
1096 for property subject to assessment by the State Tax Commission; or

1097 (iii) the county, for all other property.

1098 (2) For purposes of each provision of this chapter that requires the owners of private real  
1099 property covering a percentage of the total private land area within the proposed local district to  
1100 sign a request, petition, or protest:

1101 (a) a parcel of real property may not be included in the calculation of the required  
1102 percentage unless the request or petition is signed by:

1103 (i) except as provided in Subsection (2)(a)(ii), owners representing a majority ownership  
1104 interest in that parcel; or

1105 (ii) if the parcel is owned by joint tenants or tenants by the entirety, 50% of the number  
1106 of owners of that parcel;

1107 (b) the signature of a person signing a request or petition in a representative capacity on  
1108 behalf of an owner is invalid unless:

1109 (i) the person's representative capacity and the name of the owner the person represents  
1110 are indicated on the request or petition with the person's signature; and

- 1111 (ii) the person provides documentation accompanying the request or petition that  
1112 reasonably substantiates the person's representative capacity; and  
1113 (c) subject to Subsection (2)(b), a duly appointed personal representative may sign a  
1114 request or petition on behalf of a deceased owner.

1115 Section 34. Section **17B-2-201** is amended to read:

1116 **17B-2-201. Definitions.**

1117 ~~[(1)]~~ As used in this part:

1118 ~~[(a)]~~ (1) "Applicable area" means:

1119 ~~[(i)]~~ (a) for a county, the unincorporated area of the county that is included within the  
1120 proposed local district; or

1121 ~~[(ii)]~~ (b) for a municipality, the area of the municipality that is included within the  
1122 proposed local district.

1123 ~~[(b)]~~ "Municipal" means of or relating to a municipality.]

1124 ~~[(c)]~~ "Municipality" means a city or town.]

1125 ~~[(d)]~~ (2) "Petition" means a petition under Subsection 17B-2-203(1)(a) or (b).

1126 ~~[(e)]~~ "Political subdivision" means a county, city, town, local district under this chapter,  
1127 independent special district under Title 17A, Chapter 2, Independent Special Districts, or an entity  
1128 created by interlocal cooperation agreement under Title 11, Chapter 13, Interlocal Cooperation  
1129 Act.]

1130 ~~[(f)]~~ "Private," with respect to real property, means not owned by the United States or any  
1131 agency of the federal government, the state, a county, a municipality, a school district, an  
1132 independent special district under Title 17A, Chapter 2, Independent Special Districts, a local  
1133 district, or any other political subdivision of the state.]

1134 ~~[(g)]~~ (3) "Property owner petition" means a petition under Subsection 17B-2-203(1)(a).

1135 ~~[(h)]~~ (4) "Property owner request" means a request under Section 17B-2-204 that is signed  
1136 by owners of real property as provided in Subsection 17B-2-204(2)(b)(i).

1137 ~~[(i)]~~ (5) "Registered ~~owner~~ voter request" means a request under Section 17B-2-204 that  
1138 is signed by registered voters as provided in Subsection 17B-2-204(2)(b)(ii).

1139 ~~[(j)]~~ (6) "Registered voter petition" means a petition under Subsection 17B-2-203(1)(b).

1140 ~~[(k)]~~ (7) "Request" means a request as described in Section 17B-2-204.

1141 ~~[(l)]~~ (8) "Responsible body" means the legislative body of:

1142            [(i)] (a) the municipality in which the proposed local district is located, if the petition  
1143 proposes the creation of a local district located entirely within a single municipality;

1144            [(ii)] (b) the county in which the proposed local district is located, if the petition proposes  
1145 the creation of a local district located entirely within a single county and all or part of the proposed  
1146 local district is located within:

1147            [(A)] (i) the unincorporated part of the county; or

1148            [(B)] (ii) more than one municipality within the county; or

1149            [(iii)] (c) if the petition proposes the creation of a local district located within more than  
1150 one county, the county whose boundaries include more of the area of the proposed local district  
1151 than is included within the boundaries of any other county.

1152            [(m)] (9) "Responsible clerk" means the clerk of the county or the clerk or recorder of the  
1153 municipality whose legislative body is the responsible body.

1154            [(n) "Unincorporated" means not included within a municipality.]

1155            [(2) For purposes of this part:]

1156            [(a) the owner of real property shall be the record title owner according to the records of  
1157 the county recorder on the date of the filing of the request or petition; and]

1158            [(b) the value of private real property shall be determined according to the last assessment  
1159 before the filing of the request or petition, as determined by:]

1160            [(i) the county under Title 59, Chapter 2, Part 3, County Assessment, for property subject  
1161 to assessment by the county;]

1162            [(ii) the State Tax Commission under Title 59, Chapter 2, Part 2, Assessment of Property,  
1163 for property subject to assessment by the State Tax Commission; or]

1164            [(iii) the county, for all other property.]

1165            [(3) For purposes of each provision of this part that requires the owners of private real  
1166 property covering a percentage of the total private land area within the proposed local district to  
1167 sign a request, petition, or protest:]

1168            [(a) a parcel of real property may not be included in the calculation of the required  
1169 percentage unless the request or petition is signed by:]

1170            [(i) except as provided in Subsection (3)(a)(ii), owners representing a majority ownership  
1171 interest in that parcel; or]

1172            [(ii) if the parcel is owned by joint tenants or tenants by the entirety, 50% of the number

1173 of owners of that parcel;]

1174 ~~[(b) the signature of a person signing a request or petition in a representative capacity on~~  
1175 ~~behalf of an owner is invalid unless:]~~

1176 ~~[(i) the person's representative capacity and the name of the owner the person represents~~  
1177 ~~are indicated on the request or petition with the person's signature; and]~~

1178 ~~[(ii) the person provides documentation accompanying the request or petition that~~  
1179 ~~reasonably substantiates the person's representative capacity; and]~~

1180 ~~[(c) subject to Subsection (3)(b), a duly appointed personal representative may sign a~~  
1181 ~~request or petition on behalf of a deceased owner.]~~

1182 Section 35. Section **17B-2-217** is amended to read:

1183 **17B-2-217. Limitation on initiating process to create local district.**

1184 (1) Notwithstanding any other provision of this part, the process to create a local district  
1185 under this part may not be initiated before ~~[June 1, 2001]~~ May 6, 2002.

1186 (2) Subsection (1) does not prohibit the creation of one of the types of independent special  
1187 districts listed in Subsection 17A-2-101(1) under the provisions of this part.

1188 Section 36. Section **17B-2-501** is enacted to read:

1189 **Part 5. Annexation**

1190 **17B-2-501. Definitions.**

1191 For purposes of this part:

1192 (1) "Applicable area" means:

1193 (a) for a county, the unincorporated area of the county that is included within the area  
1194 proposed for annexation; or

1195 (b) for a municipality, the area of the municipality that is included within the area proposed  
1196 for annexation.

1197 (2) "Retail" means, with respect to a service provided by a municipality, local district, or  
1198 independent special district, that the service is provided directly to the ultimate user.

1199 (3) "Wholesale" means, with respect to a service provided by a local district or  
1200 independent special district, that the service is not provided directly to the ultimate user but is  
1201 provided to a retail provider.

1202 Section 37. Section **17B-2-502** is enacted to read:

1203 **17B-2-502. Annexation of area outside local district -- Multiple areas -- No**

1204 **requirement to be contiguous.**

1205 (1) An area outside the boundaries of a local district may be annexed to the local district,  
1206 as provided in this part, in order to provide to the area a service that the local district provides.

1207 (2) The area proposed to be annexed:

1208 (a) may consist of one or more noncontiguous areas; and

1209 (b) need not be adjacent to the boundaries of the proposed annexing local district.

1210 Section 38. Section **17B-2-503** is enacted to read:

1211 **17B-2-503. Initiation of annexation process -- Petition and resolution.**

1212 (1) Except as provided in Sections 17B-2-515 and 17B-2-516, the process to annex an area  
1213 to a local district may be initiated by:

1214 (a) (i) for a district whose board of trustees is elected by electors based on the acre-feet of  
1215 water allotted to the land owned by the elector and subject to Subsection (2), a petition signed by  
1216 the owners of all of the acre-feet of water allotted to the land proposed for annexation; or

1217 (ii) for all other districts:

1218 (A) a petition signed by the owners of private real property that:

1219 (I) is located within the area proposed to be annexed;

1220 (II) covers at least 10% of the total private land area within the entire area proposed to be  
1221 annexed and within each applicable area; and

1222 (III) is equal in assessed value to at least 10% of the assessed value of all private real  
1223 property within the entire area proposed to be annexed and within each applicable area; or

1224 (B) a petition signed by registered voters residing within the entire area proposed to be  
1225 annexed and within each applicable area equal in number to at least 10% of the number of votes  
1226 cast within the entire area proposed to be annexed and within each applicable area, respectively,  
1227 for the office of governor at the last regular general election before the filing of the petition;

1228 (b) a resolution adopted by the legislative body of each county whose unincorporated area  
1229 includes and each municipality whose boundaries include any of the area proposed to be annexed;

1230 or

1231 (c) a resolution adopted by the board of trustees of the proposed annexing local district if,  
1232 for at least 12 consecutive months immediately preceding adoption of the resolution, the local  
1233 district has provided:

1234 (i) retail service to the area; or



1235 (ii) a wholesale service to a provider of the same service that has provided that service on  
1236 a retail basis to the area.

1237 (2) If an association representing all acre-feet of water allotted to the land that is proposed  
1238 to be annexed to a local district signs a petition under Subsection (1)(a)(i), pursuant to a proper  
1239 exercise of authority as provided in the bylaws or other rules governing the association, the petition  
1240 shall be considered to have been signed by the owners of all of the acre-feet of water allotted to  
1241 the land proposed for annexation, even though less than all of the owners within the association  
1242 consented to the association signing the petition.

1243 (3) Each petition and resolution under Subsection (1) shall:

1244 (a) describe the area proposed to be annexed; and

1245 (b) be accompanied by a map of the boundaries of the area proposed to be annexed.

1246 (4) The legislative body of each county and municipality that adopts a resolution under  
1247 Subsection (1)(b) shall, within five days after adopting the resolution, mail or deliver a copy of the  
1248 resolution to the board of trustees of the proposed annexing local district.

1249 Section 39. Section **17B-2-504** is enacted to read:

1250 **17B-2-504. Petition requirements.**

1251 (1) Each petition under Subsection 17B-2-503(1)(a) shall:

1252 (a) indicate the typed or printed name and current residence address of each person signing  
1253 the petition;

1254 (b) separately group signatures by county and municipality, so that all signatures of the  
1255 owners of real property located within or of registered voters residing within each county whose  
1256 unincorporated area includes and each municipality whose boundaries include part of the area  
1257 proposed for annexation are grouped separately;

1258 (c) if it is a petition under Subsection 17B-2-503(1)(a)(i) or (ii)(A), indicate the address  
1259 of the property as to which the owner is signing the petition;

1260 (d) designate up to three signers of the petition as sponsors, one of whom shall be  
1261 designated the contact sponsor, with the mailing address and telephone number of each;

1262 (e) be filed with the board of trustees of the proposed annexing local district; and

1263 (f) for a petition under Subsection 17B-2-503(a)(i), state the proposed method of supplying  
1264 water to the area proposed to be annexed.

1265 (2) By submitting a written withdrawal or reinstatement with the board of trustees of the

1266 proposed annexing local district, a signer of a petition may withdraw, or once withdrawn, reinstate  
1267 the signer's signature at any time:

1268 (a) before the public hearing under Section 17B-2-509 is held; or

1269 (b) if a hearing is not held because of Subsection 17B-2-513(1) or because no hearing is  
1270 requested under Subsection 17B-2-513(2)(a)(ii)(B), until 20 days after the local district provides  
1271 notice under Subsection 17B-2-513(2)(a)(i).

1272 Section 40. Section **17B-2-505** is enacted to read:

1273 **17B-2-505. Petition certification.**

1274 (1) Within 30 days after the filing of a petition under Subsection 17B-2-503(1)(a)(i) or (ii),  
1275 the board of trustees of the proposed annexing local district shall:

1276 (a) with the assistance of officers of the county in which the area proposed to be annexed  
1277 is located from whom the board requests assistance, determine whether the petition meets the  
1278 requirements of Subsection 17B-2-503(1)(a)(i) or (ii), as the case may be, Subsection  
1279 17B-2-503(3), and Subsection 17B-2-504(1); and

1280 (b) (i) if the board determines that the petition complies with the requirements, certify the  
1281 petition and mail or deliver written notification of the certification to the contact sponsor; or

1282 (ii) if the board determines that the petition fails to comply with any of the requirements,  
1283 reject the petition and mail or deliver written notification of the rejection and the reasons for the  
1284 rejection to the contact sponsor.

1285 (2) (a) If the board rejects a petition under Subsection (1)(b)(ii), the petition may be  
1286 amended to correct the deficiencies for which it was rejected and then refiled.

1287 (b) A valid signature on a petition that was rejected under Subsection (1)(b)(ii) may be  
1288 used toward fulfilling the applicable signature requirement of the petition as amended under  
1289 Subsection (2)(a).

1290 (3) The board shall process an amended petition filed under Subsection (2)(a) in the same  
1291 manner as an original petition under Subsection (1).

1292 Section 41. Section **17B-2-506** is enacted to read:

1293 **17B-2-506. Notice to county and municipality -- Exception.**

1294 (1) Except as provided in Subsection (2), within ten days after certifying a petition under  
1295 Subsection 17B-2-505(1)(b) the board of trustees of the proposed annexing local district shall mail  
1296 or deliver a written notice of the proposed annexation, with a copy of the certification and a copy

1297 of the petition, to the legislative body of each:

1298 (a) county in whose unincorporated area any part of the area proposed for annexation is  
1299 located; and

1300 (b) municipality in which any part of the area proposed for annexation is located.

1301 (2) The board is not required to send a notice under Subsection (1) to:

1302 (a) a county or municipality that does not provide the service proposed to be provided by  
1303 the local district; or

1304 (b) a county or municipality whose legislative body has adopted an ordinance or resolution  
1305 waiving the notice requirement as to:

1306 (i) the proposed annexing local district; or

1307 (ii) the service that the proposed annexing local district provides.

1308 (3) For purposes of this section, an area proposed to be annexed to a municipality in a  
1309 petition under Section 10-2-403 filed before and still pending at the time of the filing of a petition  
1310 under Subsection 17B-2-503(1)(a) shall be considered to be part of that municipality.

1311 Section 42. Section **17B-2-507** is enacted to read:

1312 **17B-2-507. Notice of intent to consider providing service -- Public hearing**  
1313 **requirements.**

1314 (1) (a) If the legislative body of a county or municipality whose applicable area is proposed  
1315 to be annexed to a local district in a petition under Subsection 17B-2-503(1)(a) intends to consider  
1316 having the county or municipality, respectively, provide to the applicable area the service that the  
1317 proposed annexing local district provides, the legislative body shall, within 30 days after receiving  
1318 the notice under Subsection 17B-2-506(1), mail or deliver a written notice to the board of trustees  
1319 of the proposed annexing local district indicating that intent.

1320 (b) (i) A notice of intent under Subsection (1)(a) suspends the local district's annexation  
1321 proceeding as to the applicable area of the county or municipality that submits the notice of intent  
1322 until the county or municipality:

1323 (A) adopts a resolution under Subsection 17B-2-508(1) declining to provide the service  
1324 proposed to be provided by the proposed annexing local district; or

1325 (B) is considered under Subsection 17B-2-508(2) or (3) to have declined to provide the  
1326 service.

1327 (ii) The suspension of an annexation proceeding under Subsection (1)(b)(i) as to an

1328 applicable area does not prevent the local district from continuing to pursue the annexation  
1329 proceeding with respect to other applicable areas for which no notice of intent was submitted.

1330 (c) If a legislative body does not mail or deliver a notice of intent within the time required  
1331 under Subsection (1)(a), the legislative body shall be considered to have declined to provide the  
1332 service.

1333 (2) Each legislative body that mails or delivers a notice under Subsection (1)(a) shall hold  
1334 a public hearing or a set of public hearings, sufficient in number and location to ensure that no  
1335 substantial group of residents of the area proposed for annexation need travel an unreasonable  
1336 distance to attend a public hearing.

1337 (3) Each public hearing under Subsection (2) shall be held:

1338 (a) no later than 45 days after the legislative body sends notice under Subsection (1);

1339 (b) except as provided in Subsections (6) and (7), within the applicable area; and

1340 (c) for the purpose of allowing public input on:

1341 (i) whether the service is needed in the area proposed for annexation;

1342 (ii) whether the service should be provided by the county or municipality or the proposed  
1343 annexing local district; and

1344 (iii) all other matters relating to the issue of providing the service or the proposed  
1345 annexation.

1346 (4) A quorum of the legislative body of each county or municipal legislative body holding  
1347 a public hearing under this section shall be present throughout each hearing held by that county  
1348 or municipal legislative body.

1349 (5) Each hearing under this section shall be held on a weekday evening other than a  
1350 holiday beginning no earlier than 6:00 p.m.

1351 (6) Two or more county or municipal legislative bodies may jointly hold a hearing or set  
1352 of hearings required under this section if all the requirements of this section, other than the  
1353 requirements of Subsection (3)(b), are met as to each hearing.

1354 (7) Notwithstanding Subsection (3)(b), a county or municipal legislative body may hold  
1355 a public hearing or set of public hearings outside the applicable area if:

1356 (a) there is no reasonable place to hold a public hearing within the applicable area; and

1357 (b) the public hearing or set of public hearings is held as close to the applicable area as  
1358 reasonably possible.

1359 (8) Before holding a public hearing or set of public hearings under this section, the  
1360 legislative body of each county or municipality that receives a request for service shall provide  
1361 notice of the hearing or set of hearings as provided in Section 17B-2-211.

1362 Section 43. Section **17B-2-508** is enacted to read:

1363 **17B-2-508. Resolution indicating whether the requested service will be provided.**

1364 (1) Within 30 days after the last hearing required under Section 17B-2-507 is held, the  
1365 legislative body of each county and municipality that sent a notice of intent under Subsection  
1366 17B-2-507(1) shall adopt a resolution indicating whether the county or municipality will provide  
1367 to the area proposed for annexation within its boundaries the service proposed to be provided by  
1368 the proposed annexing local district.

1369 (2) If the county or municipal legislative body fails to adopt a resolution within the time  
1370 provided under Subsection (1), the county or municipality shall be considered to have declined to  
1371 provide the service.

1372 (3) If a county or municipal legislative body adopts a resolution under Subsection (1)  
1373 indicating that the county or municipality will provide the service but the county or municipality  
1374 does not, within 120 days after the adoption of that resolution, take substantial measures to provide  
1375 the service, the county or municipality shall be considered to have declined to provide the service.

1376 (4) Each county or municipality whose legislative body adopts a resolution under  
1377 Subsection (1) indicating that the county or municipality will provide the service shall diligently  
1378 proceed to take all measures necessary to provide the service.

1379 (5) If a county or municipal legislative body adopts a resolution under Subsection (1)  
1380 indicating that the county or municipality will provide the service and the county or municipality  
1381 takes substantial measures within the time provided in Subsection (3) to provide the service, the  
1382 local district's annexation proceeding as to the applicable area of that county or municipality is  
1383 terminated and that applicable area is considered deleted from the area proposed to be annexed in  
1384 a petition under Subsection 17B-2-503(1)(a).

1385 Section 44. Section **17B-2-509** is enacted to read:

1386 **17B-2-509. Public hearing on proposed annexation.**

1387 (1) Except as provided in Sections 17B-2-513 and 17B-2-515, the board of trustees of each  
1388 local district that certifies a petition that was filed under Subsection 17B-2-503(1)(a)(ii)(A) or (B),  
1389 receives a resolution adopted under Subsection 17B-2-503(1)(b), or adopts a resolution under

1390 Subsection 17B-2-503(1)(c) shall hold a public hearing on the proposed annexation and provide  
1391 notice of the hearing as provided in Section 17B-2-510.

1392 (2) Each public hearing under Subsection (1) shall be held:

1393 (a) within 45 days after:

1394 (i) if no notice to a county or municipal legislative body is required under Section  
1395 17B-2-506, petition certification under Section 17B-2-505; or

1396 (ii) if notice is required under Section 17B-2-506, but no notice of intent is submitted by  
1397 the deadline:

1398 (A) expiration of the deadline under Subsection 17B-2-507(1) to submit a notice of intent;  
1399 or

1400 (B) termination of a suspension of the annexation proceeding under Subsection  
1401 17B-2-507(1)(b);

1402 (b) (i) for a local district located entirely within a single county:

1403 (A) within or as close as practicable to the area proposed to be annexed; or

1404 (B) at the local district office; or

1405 (ii) for a local district located in more than one county:

1406 (A) (I) within the county in which the area proposed to be annexed is located; and

1407 (II) within or as close as practicable to the area proposed to be annexed; or

1408 (B) if the local district office is reasonably accessible to all residents within the area  
1409 proposed to be annexed, at the local district office;

1410 (c) on a weekday evening other than a holiday beginning no earlier than 6:00 p.m.; and

1411 (d) for the purpose of allowing:

1412 (i) the public to ask questions and obtain further information about the proposed  
1413 annexation and issues raised by it; and

1414 (ii) any interested person to address the board regarding the proposed annexation.

1415 (3) A quorum of the board of trustees of the proposed annexing local district shall be  
1416 present throughout each public hearing held under this section.

1417 (4) (a) After holding a public hearing under this section or, if no hearing is held because  
1418 of application of Subsection 17B-2-513(2)(a)(ii), after expiration of the time under Subsection  
1419 17B-2-513(2)(a)(ii)(B) for requesting a hearing, the board of trustees may by resolution deny the  
1420 annexation and terminate the annexation procedure if:

1421 (i) for a proposed annexation initiated by a petition under Subsection 17B-2-503(1)(a)(i)  
1422 or (ii), the board determines that:

1423 (A) it is not feasible for the local district to provide service to the area proposed to be  
1424 annexed; or

1425 (B) annexing the area proposed to be annexed would be inequitable to the owners of real  
1426 property or residents already within the local district; or

1427 (ii) for a proposed annexation initiated by resolution under Subsection 17B-2-503(1)(b)  
1428 or (c), the board determines not to pursue annexation.

1429 (b) In each resolution adopted under Subsection (4)(a), the board shall set forth its reasons  
1430 for denying the annexation.

1431 Section 45. Section **17B-2-510** is enacted to read:

1432 **17B-2-510. Notice of public hearing.**

1433 (1) Before holding a public hearing required under Section 17B-2-509, the board of  
1434 trustees of each proposed annexing local district shall:

1435 (a) mail notice of the public hearing and the proposed annexation to:

1436 (i) if the local district is funded predominantly by revenues from a property tax, each  
1437 owner of private real property located within the area proposed to be annexed, as shown upon the  
1438 county assessment roll last equalized as of the previous December 31; or

1439 (ii) if the local district is not funded predominantly by revenues from a property tax, each  
1440 registered voter residing within the area proposed to be annexed, as determined by the voter  
1441 registration list maintained by the county clerk as of a date selected by the board of trustees that  
1442 is at least 20 but not more than 60 days before the public hearing; and

1443 (b) post notice of the public hearing and the proposed annexation in at least four  
1444 conspicuous places within the area proposed to be annexed, no less than ten and no more than 30  
1445 days before the public hearing.

1446 (2) Each notice required under Subsection (1) shall:

1447 (a) describe the area proposed to be annexed;

1448 (b) identify the proposed annexing local district;

1449 (c) state the date, time, and location of the public hearing; and

1450 (d) provide a local district telephone number where additional information about the  
1451 proposed annexation may be obtained; and

1452 (e) except for a proposed annexation under a petition that meets the requirements of  
1453 Subsection 17B-2-513(1), explain that property owners and registered voters within the area  
1454 proposed to be annexed may protest the annexation by filing a written protest with the local district  
1455 board of trustees within 30 days after the public hearing.

1456 Section 46. Section **17B-2-511** is enacted to read:

1457 **17B-2-511. Modifications to area proposed for annexation -- Limitations.**

1458 (1) (a) Subject to Subsections (2), (3), (4), and (5), a board of trustees may, within 30 days  
1459 after the public hearing under Section 17B-2-509, or, if no public hearing is held, within 30 days  
1460 after the board provides notice under Subsection 17B-2-513(2)(a)(i), modify the area proposed for  
1461 annexation to include land not previously included in that area or to exclude land from that area  
1462 if the modification enhances the feasibility of the proposed annexation.

1463 (b) A modification under Subsection (1)(a) may consist of the exclusion of all the land  
1464 within an applicable area if:

1465 (i) the entire area proposed to be annexed consists of more than that applicable area;

1466 (ii) sufficient protests under Section 17B-2-512 are filed with respect to that applicable  
1467 area that an election would have been required under Subsection 17B-2-512(3) if that applicable  
1468 area were the entire area proposed to be annexed; and

1469 (iii) the other requirements of Subsection (1)(a) are met.

1470 (2) A board of trustees may not add property under Subsection (1) to the area proposed for  
1471 annexation without the consent of the owner of that property.

1472 (3) Except as provided in Subsection (1)(b), a modification under Subsection (1) may not  
1473 avoid the requirement for an election under Subsection 17B-2-512(3) if, before the modification,  
1474 the election was required because of protests filed under Section 17B-2-512.

1475 (4) If the annexation is proposed by a petition under Subsection 17B-2-503(1)(a)(ii)(A)  
1476 or (B), a modification may not be made unless the requirements of Subsection  
1477 17B-2-503(1)(a)(ii)(A) or (B) are met after the modification as to the area proposed to be annexed.

1478 (5) If the petition meets the requirements of Subsection 17B-2-513(1) before a  
1479 modification under this section but fails to meet those requirements after modification:

1480 (a) the local district board shall give notice as provided in Section 17B-2-510 and hold a  
1481 public hearing as provided in Section 17B-2-509 on the proposed annexation; and

1482 (b) the petition shall be considered in all respects as one that does not meet the



1483 requirements of Subsection 17B-2-513(1).

1484 Section 47. Section **17B-2-512** is enacted to read:

1485 **17B-2-512. Protests -- Election.**

1486 (1) (a) Except as provided in Section 17B-2-513 and except for an annexation under  
1487 Section 17B-2-515, an owner of private real property located within or a registered voter residing  
1488 within an area proposed to be annexed may protest an annexation by filing a written protest with  
1489 the board of trustees of the proposed annexing local district.

1490 (b) A protest of a boundary adjustment is not governed by this section but is governed by  
1491 Section 17B-2-516.

1492 (2) Each protest under Subsection (1)(a) shall be filed within 30 days after the date of the  
1493 public hearing under Section 17B-3-509.

1494 (3) (a) Except as provided in Subsection (4), the local district shall hold an election on the  
1495 proposed annexation if timely protests are filed by:

1496 (i) the owners of private real property that:

1497 (A) is located within the area proposed to be annexed;

1498 (B) covers at least 10% of the total private land area within the entire area proposed to be  
1499 annexed and within each applicable area; and

1500 (C) is equal in assessed value to at least 10% of the assessed value of all private real  
1501 property within the entire area proposed to be annexed and within each applicable area; or

1502 (ii) registered voters residing within the entire area proposed to be annexed and within  
1503 each applicable area equal in number to at least 10% of the number of votes cast within the entire  
1504 area proposed for annexation and within each applicable area, respectively, for the office of  
1505 governor at the last regular general election before the filing of the petition.

1506 (b) Except as otherwise provided in this part, each election under Subsection (3)(a) shall  
1507 be governed by Title 20A, Election Code.

1508 (c) If a majority of registered voters residing within the area proposed to be annexed and  
1509 voting on the proposal vote:

1510 (i) in favor of annexation, the board of trustees shall, subject to Subsections  
1511 17B-2-514(1)(b), (2), and (3), complete the annexation by adopting a resolution annexing the area;  
1512 or

1513 (ii) against annexation, the annexation process is terminated, the board may not adopt a

1514 resolution annexing the area, and the area proposed to be annexed may not for two years be the  
1515 subject of an effort under this part to annex to the same local district.

1516 (4) If sufficient protests are filed under this section to require an election, a board of  
1517 trustees may, notwithstanding Subsection (3), adopt a resolution rejecting the annexation and  
1518 terminating the annexation process without holding an election.

1519 Section 48. Section **17B-2-513** is enacted to read:

1520 **17B-2-513. Hearing, notice, and protest provisions do not apply for certain petitions.**

1521 (1) Section 17B-2-512 does not apply, and, except as provided in Subsection (2)(a),

1522 Sections 17B-2-509 and 17B-2-510 do not apply:

1523 (a) if the process to annex an area to a local district was initiated by:

1524 (i) a petition under Subsection 17B-2-503(1)(a)(i);

1525 (ii) a petition under Subsection 17B-2-503(1)(a)(ii)(A) that was signed by the owners of  
1526 private real property that:

1527 (A) is located within the area proposed to be annexed;

1528 (B) covers at least 75% of the total private land area within the entire area proposed to be  
1529 annexed and within each applicable area; and

1530 (C) is equal in assessed value to at least 75% of the assessed value of all private real  
1531 property within the entire area proposed to be annexed and within each applicable area; or

1532 (iii) a petition under Subsection 17B-2-503(1)(a)(ii)(B) that was signed by registered

1533 voters residing within the entire area proposed to be annexed and within each applicable area equal

1534 in number to at least 75% of the number of votes cast within the entire area proposed to be

1535 annexed and within each applicable area, respectively, for the office of governor at the last regular  
1536 general election before the filing of the petition;

1537 (b) to an annexation under Section 17B-2-515; or

1538 (c) to a boundary adjustment under Section 17B-2-516.

1539 (2) (a) If a petition that meets the requirements of Subsection (1)(a) is certified under  
1540 Section 17B-2-505, the local district board:

1541 (i) shall provide notice of the proposed annexation as provided in Subsection (2)(b); and

1542 (ii) (A) may, in the board's discretion, hold a public hearing as provided in Section  
1543 17B-2-509 after giving notice of the public hearing as provided in Subsection (2)(b); and

1544 (B) shall, after giving notice of the public hearing as provided in Subsection (2)(b), hold

1545 a public hearing as provided in Section 17B-2-509 if a written request to do so is submitted, within  
1546 20 days after the local district provides notice under Subsection (2)(a)(i), to the local district board  
1547 by an owner of property that is located within or a registered voter residing within the area  
1548 proposed to be annexed who did not sign the annexation petition.

1549 (b) The notice required under Subsections (2)(a)(i) and (ii) shall:

1550 (i) be given:

1551 (A) (I) for a notice under Subsection (2)(a)(i), within 30 days after petition certification;

1552 or

1553 (II) for a notice of a public hearing under Subsection (2)(a)(ii), at least ten but not more  
1554 than 30 days before the public hearing; and

1555 (B) by:

1556 (I) posting written notice at the local district's principal office and in one or more other  
1557 locations within or proximate to the area proposed to be annexed as are reasonable under the  
1558 circumstances, considering the number of parcels included in that area, the size of the area, the  
1559 population of the area, and the contiguousness of the area; and

1560 (II) providing written notice to at least one newspaper of general circulation, if there is one,  
1561 within the area proposed to be annexed or to a local media correspondent; and

1562 (ii) contain a brief explanation of the proposed annexation and include the name of the  
1563 local district, the service provided by the local district, a description or map of the area proposed  
1564 to be annexed, a local district telephone number where additional information about the proposed  
1565 annexation may be obtained, and, for a notice under Subsection (2)(a)(i), an explanation of the  
1566 right of a property owner or registered voter to request a public hearing as provided in Subsection  
1567 (2)(a)(ii)(B).

1568 (c) A notice under Subsection (2)(a)(i) may be combined with the notice that is required  
1569 for a public hearing under Subsection (2)(a)(ii)(A).

1570 Section 49. Section **17B-2-514** is enacted to read:

1571 **17B-2-514. Resolution approving an annexation -- Notice of annexation -- When**  
1572 **annexation complete.**

1573 (1) (a) Subject to Subsection (1)(b), the local district board shall adopt a resolution  
1574 annexing the area proposed to be annexed or rejecting the proposed annexation within 30 days  
1575 after:

1576 (i) expiration of the protest period under Subsection 17B-2-512(2), if sufficient protests  
1577 to require an election are not filed;

1578 (ii) for a petition that meets the requirements of Subsection 17B-2-513(1):

1579 (A) a public hearing under Section 17B-2-509 is held, if the board chooses or is required  
1580 to hold a public hearing under Subsection 17B-2-513(2)(a)(ii); or

1581 (B) expiration of the time for submitting a request for public hearing under Subsection  
1582 17B-2-513(2)(a)(ii)(B), if no request is submitted and the board chooses not to hold a public  
1583 hearing.

1584 (b) If the local district has entered into an agreement with the United States that requires  
1585 the consent of the United States for an annexation of territory to the district, an annexation under  
1586 this part may not occur until the written consent of the United States is obtained and filed with the  
1587 board of trustees.

1588 (2) Within ten days after adoption of an annexation resolution under Subsection (1),  
1589 Subsection 17B-2-512(3)(c)(i), or Section 17B-2-515, or a boundary adjustment resolution under  
1590 Subsection 17B-2-516(4), the board shall:

1591 (a) file a written notice of annexation with the State Tax Commission, the lieutenant  
1592 governor, and the assessor and recorder of the county in which the annexed area is located,  
1593 accompanied by an accurate map or legal description of the boundaries of the area being annexed,  
1594 adequate for purposes of the county assessor and recorder; and

1595 (b) prepare and execute a certificate acknowledging that the notices required under  
1596 Subsection (2)(a) have been filed, and maintain the certificate with the district records.

1597 (3) The annexation shall be complete on the date indicated in the certificate required under  
1598 Subsection (2)(b) as the date on which the board filed the notices required under Subsection (2)(a).

1599 Section 50. Section **17B-2-515** is enacted to read:

1600 **17B-2-515. Annexation through expansion of retail district.**

1601 (1) (a) A local district that provides a wholesale service may adopt a resolution annexing  
1602 an area outside the local district's boundaries if:

1603 (i) the area is annexed by or otherwise added to a municipality, an independent special  
1604 district, or another local district that:

1605 (A) acquires the wholesale service from the local district and provides it as a retail service;

1606 (B) is, before the annexation or other addition, located at least partly within the local

1607 district; and

1608 (C) after the annexation or other addition will provide to the annexed or added area the  
1609 same retail service that the local district provides as a wholesale service to the municipality,  
1610 independent special district, or other local district; and

1611 (ii) except as provided in Subsection (2), no part of the area is within the boundaries of an  
1612 independent special district under Title 17A, Chapter 2, Independent Special Districts, or another  
1613 local district that provides the same wholesale service as the proposed annexing local district.

1614 (b) For purposes of this section:

1615 (i) a local district providing transportation service shall be considered to be providing a  
1616 wholesale service; and

1617 (ii) a municipality included within the boundaries of the local district providing  
1618 transportation service shall be considered to be acquiring that wholesale service from the local  
1619 district and providing it as a retail service and to be providing that retail service after the  
1620 annexation or other addition to the annexed or added area, even though the municipality does not  
1621 in fact provide that service.

1622 (2) Notwithstanding Subsection (1)(a)(ii), an area outside the boundaries of a local district  
1623 providing a wholesale service and located partly or entirely within the boundaries of an  
1624 independent special district or another local district that provides the same wholesale service may  
1625 be annexed to the local district if:

1626 (a) the conditions under Subsection (1)(a)(i) are present; and

1627 (b) the proposed annexing local district and the independent special district or other local  
1628 district follow the same procedure as is required for a boundary adjustment under Section  
1629 17B-2-516, including both district boards adopting a resolution approving the annexation of the  
1630 area to the proposed annexing local district and the withdrawal of that area from the other district.

1631 (3) Upon the adoption of an annexation resolution under this section, the board of the  
1632 annexing local district shall comply with the requirements of Subsection 17B-2-514(2).

1633 (4) Subsection 17B-2-514(3) applies to an annexation under this section.

1634 Section 51. Section **17B-2-516** is enacted to read:

1635 **17B-2-516. Boundary adjustment -- Notice and hearing -- Protest -- Resolution**  
1636 **adjusting boundaries -- Notice of the adjustment.**

1637 (1) As used in this section, "affected area" means the area located within the boundaries

1638 of one local district that will be removed from that local district and be included within the  
1639 boundaries of another local district because of the boundary adjustment.

1640 (2) The boards of trustees of two or more local districts having a common boundary and  
1641 providing the same service on the same wholesale or retail basis may adjust their common  
1642 boundary as provided in this section.

1643 (3) (a) The board of trustees of each local district intending to adjust a boundary that is  
1644 common with another local district shall:

1645 (i) adopt a resolution indicating the board's intent to adjust a common boundary;

1646 (ii) hold a public hearing on the proposed boundary adjustment no less than 60 days after  
1647 the adoption of the resolution under Subsection (3)(a)(i); and

1648 (iii) (A) (I) publish notice once a week for two successive weeks in a newspaper of general  
1649 circulation within the local district; or

1650 (II) if there is no newspaper of general circulation within the local district, post notice in  
1651 at least four conspicuous places within the local district; or

1652 (B) mail a notice to each owner of property located within the affected area and to each  
1653 registered voter residing within the affected area.

1654 (b) The notice required under Subsection (3)(a)(iii) shall:

1655 (i) state that the board of trustees of the local district has adopted a resolution indicating  
1656 the board's intent to adjust a boundary that the local district has in common with another local  
1657 district that provides the same service as the local district;

1658 (ii) describe the affected area;

1659 (iii) state the date, time, and location of the public hearing required under Subsection  
1660 (3)(a)(ii);

1661 (iv) provide a local district telephone number where additional information about the  
1662 proposed boundary adjustment may be obtained;

1663 (v) explain the financial and service impacts of the boundary adjustment on property  
1664 owners or residents within the affected area; and

1665 (vi) state in conspicuous and plain terms that the board of trustees may adjust the  
1666 boundaries unless, at or before the public hearing under Subsection (3)(a)(ii), written protests to  
1667 the adjustment are filed with the board by:

1668 (A) the owners of private real property that:

- 1669           (I) is located within the affected area;  
1670           (II) covers at least 50% of the total private land area within the affected area; and  
1671           (III) is equal in assessed value to at least 50% of the assessed value of all private real  
1672 property within the affected area; or  
1673           (B) registered voters residing within the affected area equal in number to at least 50% of  
1674 the votes cast in the affected area for the office of governor at the last regular general election  
1675 before the filing of the protests.
- 1676           (c) The first publication of the notice required under Subsection (3)(a)(iii)(A) shall be  
1677 within 14 days after the board's adoption of a resolution under Subsection (3)(a)(i).
- 1678           (d) The boards of trustees of the local districts whose boundaries are being adjusted may  
1679 jointly:
- 1680           (i) publish, post, or mail the notice required under Subsection (3)(a)(iii); and  
1681           (ii) hold the public hearing required under Subsection (3)(a)(ii).
- 1682           (4) After the public hearing required under Subsection (3)(a)(ii), the board of trustees may  
1683 adopt a resolution adjusting the common boundary unless, at or before the public hearing, written  
1684 protests to the boundary adjustment have been filed with the board by:
- 1685           (a) the owners of private real property that:
- 1686           (i) is located within the affected area;  
1687           (ii) covers at least 50% of the total private land area within the affected area; and  
1688           (iii) is equal in assessed value to at least 50% of the assessed value of all private real  
1689 property within the affected area; or
- 1690           (b) registered voters residing within the affected area equal in number to at least 50% of  
1691 the votes cast in the affected area for the office of governor at the last regular general election  
1692 before the filing of the protests.
- 1693           (5) A resolution adopted under Subsection (4) does not take effect until the board of each  
1694 local district whose boundaries are being adjusted has adopted a resolution under Subsection (4).
- 1695           (6) Within ten days after the resolutions take effect under Subsection (5), the board of the  
1696 local district whose boundaries are being adjusted to include the affected area shall comply with  
1697 the requirements of Subsection 17B-2-514(2).
- 1698           (7) Subsection 17B-2-514(3) applies to a boundary adjustment under this section to the  
1699 same extent as if the boundary adjustment were an annexation.

1700 Section 52. Section **17B-2-517** is enacted to read:

1701 **17B-2-517. Annexed area subject to taxes and fees.**

1702 When an annexation under Section 17B-2-514 or 17B-2-515 or a boundary adjustment  
1703 under Section 17B-2-516 is complete, the annexed area or the area affected by the boundary  
1704 adjustment shall be subject to user fees or charges imposed by and property, sales, and other taxes  
1705 levied by or for the benefit of the local district.

1706 **Part 6. Reserved**

1707 Section 53. Section **17B-2-701** is enacted to read:

1708 **Part 7. Dissolution**

1709 **17B-2-701. Definitions.**

1710 For purposes of this part:

1711 (1) "Active" means, with respect to a local district, that the district is not inactive.

1712 (2) "Administrative body" means:

1713 (a) if the local district proposed to be dissolved has a duly constituted board of trustees in  
1714 sufficient numbers to form a quorum, the board of trustees; or

1715 (b) except as provided in Subsection (2)(a):

1716 (i) for a local district located entirely within a single municipality, the legislative body of  
1717 that municipality;

1718 (ii) for a local district located in multiple municipalities within the same county or at least  
1719 partly within the unincorporated area of a county, the legislative body of that county; or

1720 (iii) for a local district located within multiple counties, the legislative body of the county  
1721 whose boundaries include more of the local district than is included within the boundaries of any  
1722 other county.

1723 (3) "Clerk" means:

1724 (a) the board of trustees if the board is also the administrative body under Subsection  
1725 (2)(a);

1726 (b) the clerk or recorder of the municipality whose legislative body is the administrative  
1727 body under Subsection (2)(b)(i); or

1728 (c) the clerk of the county whose legislative body is the administrative body under  
1729 Subsection (2)(b)(ii) or (iii).

1730 (4) "Inactive" means, with respect to a local district, that during the preceding three years



1731 the district has not:

1732 (a) provided any service or otherwise operated;

1733 (b) received property taxes or user or other fees; and

1734 (c) expended any funds.

1735 Section 54. Section **17B-2-702** is enacted to read:

1736 **17B-2-702. Dissolution of local district.**

1737 A local district may be dissolved as provided in this part.

1738 Section 55. Section **17B-2-703** is enacted to read:

1739 **17B-2-703. Initiation of dissolution process.**

1740 The process to dissolve a local district may be initiated by:

1741 (1) for an inactive local district:

1742 (a) (i) for a local district whose board of trustees is elected by electors based on the

1743 acre-feet of water allotted to the land owned by the elector, a petition signed by the owners of 25%

1744 of the acre-feet of water allotted to the land within the local district; or

1745 (ii) for all other districts:

1746 (A) a petition signed by the owners of private real property that:

1747 (I) is located within the local district proposed to be dissolved;

1748 (II) covers at least 25% of the private land area within the local district; and

1749 (III) is equal in assessed value to at least 25% of the assessed value of all private real

1750 property within the local district; or

1751 (B) a petition signed by registered voters residing within the local district proposed to be

1752 dissolved equal in number to at least 25% of the number of votes cast in the district for the office

1753 of governor at the last regular general election before the filing of the petition; or

1754 (b) a resolution adopted by the administrative body; and

1755 (2) for an active local district, a petition signed by:

1756 (a) for a local district whose board of trustees is elected by electors based on the acre-feet

1757 of water allotted to the land owned by the elector, a petition signed by the owners of 100% of the

1758 acre-feet of water allotted to the land within the local district; or

1759 (b) for all other districts, the owners of 100% of the private real property located within

1760 or 100% of registered voters residing within the local district proposed to be dissolved.

1761 Section 56. Section **17B-2-704** is enacted to read:

1762 **17B-2-704. Petition requirements.**

1763 (1) Each petition under Subsection 17B-2-703(1)(a) or (2) shall:

1764 (a) indicate the typed or printed name and current residence address of each owner of  
1765 acre-feet of water, property owner, or registered voter signing the petition;

1766 (b) if it is a petition signed by the owners of acre-feet of water or property owners, indicate  
1767 the address of the property as to which the owner is signing;

1768 (c) designate up to three signers of the petition as sponsors, one of whom shall be  
1769 designated the contact sponsor, with the mailing address and telephone number of each; and

1770 (d) be filed with the clerk.

1771 (2) A signer of a petition to dissolve a local district may withdraw, or, once withdrawn,  
1772 reinstate the signer's signature at any time until 30 days after the public hearing under Section  
1773 17B-2-706.

1774 Section 57. Section **17B-2-705** is enacted to read:

1775 **17B-2-705. Petition certification.**

1776 (1) Within 30 days after the filing of a petition under Subsection 17B-2-703(1)(a) or (2),  
1777 the clerk shall:

1778 (a) with the assistance of officers of the county in which the local district is located from  
1779 whom the clerk requests assistance, determine whether the petition meets the requirements of  
1780 Section 17B-2-703 and Subsection 17B-2-704(1); and

1781 (b) (i) if the clerk determines that the petition complies with the requirements, certify the  
1782 petition and mail or deliver written notification of the certification to the contact sponsor; or

1783 (ii) if the clerk determines that the petition fails to comply with any of the requirements,  
1784 reject the petition and mail or deliver written notification of the rejection and the reasons for the  
1785 rejection to the contact sponsor.

1786 (2) (a) If the clerk rejects a petition under Subsection (1)(b)(ii), the petition may be  
1787 amended to correct the deficiencies for which it was rejected and then refiled.

1788 (b) A valid signature on a petition that was rejected under Subsection (1)(b)(ii) may be  
1789 used toward fulfilling the applicable signature requirement of the petition as amended under  
1790 subsection (2)(a).

1791 (3) The clerk shall process an amended petition filed under Subsection (2)(a) in the same  
1792 manner as an original petition under Subsection (1).

1793 Section 58. Section **17B-2-706** is enacted to read:

1794 **17B-2-706. Public hearing.**

1795 (1) For each petition certified under Section 17B-2-705 and each resolution adopted under  
1796 Subsection 17B-2-703(1)(b), the administrative body shall hold a public hearing on the proposed  
1797 dissolution.

1798 (2) Each public hearing under Subsection (1) shall be held:

1799 (a) no later than 45 days after certification of the petition under Section 17B-2-705 or  
1800 adoption of a resolution under Subsection 17B-2-703(1)(b), as the case may be;

1801 (b) within the local district proposed to be dissolved;

1802 (c) on a weekday evening other than a holiday beginning no earlier than 6:00 p.m.; and

1803 (d) for the purpose of allowing:

1804 (i) the public to ask questions and obtain further information about the proposed  
1805 dissolution and issues raised by it; and

1806 (ii) any interested person to address the administrative body concerning the proposed  
1807 dissolution.

1808 (3) A quorum of the administrative body shall be present throughout each public hearing  
1809 under this section.

1810 Section 59. Section **17B-2-707** is enacted to read:

1811 **17B-2-707. Notice of public hearing and of dissolution.**

1812 (1) Before holding a public hearing required under Section 17B-2-706, the administrative  
1813 body shall:

1814 (a) (i) publish notice of the public hearing and of the proposed dissolution in a newspaper  
1815 of general circulation within the local district proposed to be dissolved; and

1816 (ii) post notice of the public hearing and of the proposed dissolution in at least four  
1817 conspicuous places within the local district proposed to be dissolved, no less than five and no more  
1818 than 30 days before the public hearing; or

1819 (b) mail a notice to each owner of property located within the local district and to each  
1820 registered voter residing within the local district.

1821 (2) Each notice required under Subsection (1) shall:

1822 (a) identify the local district proposed to be dissolved and the service it was created to  
1823 provide; and

1824 (b) state the date, time, and location of the public hearing.

1825 Section 60. Section **17B-2-708** is enacted to read:

1826 **17B-2-708. Dissolution resolution -- Limitations on dissolution -- Notice of**  
1827 **dissolution.**

1828 (1) After the public hearing required under Section 17B-2-706 and subject to Subsection  
1829 (2), the administrative body may adopt a resolution dissolving the local district.

1830 (2) A resolution under Subsection (1) may not be adopted unless:

1831 (a) any outstanding debt of the local district is:

1832 (i) satisfied and discharged in connection with the dissolution; or

1833 (ii) assumed by another governmental entity with the consent of all the holders of that debt  
1834 and all the holders of other debts of the local district;

1835 (b) for a local district that has provided service during the preceding three years or  
1836 undertaken planning or other activity preparatory to providing service:

1837 (i) another entity has committed to provide the same service to the area being served or  
1838 proposed to be served by the local district; and

1839 (ii) all who are to receive the service have consented to the service being provided by the  
1840 other entity; and

1841 (c) all outstanding contracts to which the local district is a party are resolved through  
1842 mutual termination or the assignment of the district's rights, duties, privileges, and responsibilities  
1843 to another entity with the consent of the other parties to the contract.

1844 (3) (a) (i) Any assets of the local district remaining after paying all debts and other  
1845 obligations of the local district shall be used to pay costs associated with the dissolution process  
1846 under this part.

1847 (ii) Any costs of the dissolution process remaining after exhausting the remaining assets  
1848 of the local district under Subsection (3)(a)(i) shall be paid by the administrative body.

1849 (b) Any assets of the local district remaining after application of Subsection (3)(a) shall  
1850 be distributed:

1851 (i) proportionately to the owners of real property within the dissolved local district if there  
1852 is a readily identifiable connection between a financial burden borne by the real property owners  
1853 in the district and the remaining assets; or

1854 (ii) except as provided in Subsection (3)(b)(i), to each county, city, or town in which the

1855 dissolved local district was located before dissolution in the same proportion that the land area of  
1856 the local district located within the unincorporated area of the county or within the city or town  
1857 bears to the total local district land area.

1858 (4) Within ten days after adopting a resolution dissolving the local district, the  
1859 administrative body shall cause a notice of the dissolution, with a copy of the dissolution  
1860 resolution, to be mailed or delivered to the State Tax Commission, the state auditor, and the  
1861 assessor and recorder of each county in which any part of the dissolved district was located  
1862 immediately before dissolution.

1863 Section 61. Section **73-2-1** is amended to read:

1864 **73-2-1. State engineer -- Term -- Powers and duties -- Qualification for duties.**

1865 (1) There shall be a state engineer.

1866 (2) The state engineer shall:

1867 (a) be appointed by the governor with the consent of the Senate;

1868 (b) hold [~~his~~] office for the term of four years and until [~~his~~] a successor is appointed; and

1869 (c) have five years experience as a practical engineer or the theoretical knowledge,

1870 practical experience, and skill necessary for the position.

1871 (3) (a) The state engineer shall be responsible for the general administrative supervision  
1872 of the waters of the state and the measurement, appropriation, apportionment, and distribution of  
1873 those waters.

1874 (b) The state engineer shall have the power to:

1875 (i) make and publish rules necessary to carry out the duties of his office;

1876 (ii) secure the equitable apportionment and distribution of the water according to the  
1877 respective rights of appropriators; and

1878 (iii) bring suit in courts of competent jurisdiction to:

1879 (A) enjoin the unlawful appropriation, diversion, and use of surface and underground  
1880 water;

1881 (B) prevent waste, loss, or pollution of those waters; and

1882 (C) enable him to carry out the duties of his office.

1883 (c) The state engineer shall:

1884 (i) upon request from the board of trustees of an irrigation district under Title 17A, Chapter  
1885 2, Part 7, Irrigation Districts, or a local district under Title 17B, Chapter 2, Local Districts, that

1886 operates an irrigation water system, cause a water survey to be made of all lands proposed to be  
1887 annexed to the district in order to determine and allot the maximum amount of water that could  
1888 be beneficially used on the land, with a separate survey and allotment being made for each 40-acre  
1889 or smaller tract in separate ownership; and

1890 (ii) upon completion of the survey and allotment under Subsection (3)(c)(i), file with the  
1891 district board a return of the survey and report of the allotment.

1892 (4) (a) The state engineer may establish water districts and define their boundaries.

1893 (b) The water districts shall be formed in a manner that:

1894 (i) secures the best protection to the water claimants; and

1895 (ii) is the most economical for the state to supervise.

1896 Section 62. **Repealer.**

1897 This act repeals:

1898 Section 17A-2-202, **Creation and organization of district.**

1899 Section 17A-2-203, **Procedure -- Petition -- Contents and sufficiency of petition.**

1900 Section 17A-2-204, **Hearing and determination -- Notice -- Boundaries.**

1901 Section 17A-2-205, **Election to determine organization of district -- Notice -- Eligibility**  
1902 **of voters.**

1903 Section 17A-2-206, **Conduct of election -- Precincts -- Judges.**

1904 Section 17A-2-207, **Canvass of returns.**

1905 Section 17A-2-213, **Annexation of adjoining territory -- Procedure -- Necessity for**  
1906 **approval of board.**

1907 Section 17A-2-214, **Annexation of additional territory within adjoining county --**  
1908 **Requirements.**

1909 Section 17A-2-303, **Procedure for creation of district.**

1910 Section 17A-2-304, **Notice of hearing and intent -- Protests -- Resolution establishing**  
1911 **district -- Writ of review.**

1912 Section 17A-2-331, **Annexation of areas.**

1913 Section 17A-2-332, **Methods of annexation -- Resolution -- Proposed area including**  
1914 **part of another county.**

1915 Section 17A-2-333, **Notice of intention to annex -- Resolution -- Writ of review.**

1916 Section 17A-2-339, **Adjustment of common boundaries -- Notice and hearing -- Protest**

- 1917 -- **Property taxes after the boundary adjustment.**
- 1918       Section 17A-2-404, Establishment of service area.
- 1919       Section 17A-2-406, Resolution of county.
- 1920       Section 17A-2-407, Publication and mailing of resolution.
- 1921       Section 17A-2-408, Hearing -- Protests -- Report of officers -- Record.
- 1922       Section 17A-2-409, Abandonment of proposed service area -- Procedures.
- 1923       Section 17A-2-410, Ordinance to establish area -- Appeals -- Exclusion of lands from
- 1924 **area -- Inclusion of unspecified services prohibited.**
- 1925       Section 17A-2-417, Annexation of other areas.
- 1926       Section 17A-2-420, Existing districts may dissolve.
- 1927       Section 17A-2-430, Reorganization of existing county service areas -- Procedure.
- 1928       Section 17A-2-529, Procedure for annexation -- Petition -- Appeals by persons
- 1929 **aggrieved -- Recordation and filing of order.**
- 1930       Section 17A-2-546, Organization of districts in cities or towns.
- 1931       Section 17A-2-561, Petition for dissolution -- Notice -- Hearings -- Objections --
- 1932 **Liquidation of indebtedness.**
- 1933       Section 17A-2-562, Disposal of district property.
- 1934       Section 17A-2-563, Statement of assessment levied, collected and uncollected, and of
- 1935 **indebtedness filed with clerk.**
- 1936       Section 17A-2-564, Court to determine obligations and expense of dissolution --
- 1937 **Claims not presented, barred.**
- 1938       Section 17A-2-565, Allocating and apportioning indebtedness against land.
- 1939       Section 17A-2-566, Payment discharges lien, excepting liens for prior assessments.
- 1940       Section 17A-2-567, Sale of lands upon failure to pay amounts allocated -- Procedure.
- 1941       Section 17A-2-602, Proposal of district by petition -- Petition -- Form, contents, and
- 1942 **requisites of petition.**
- 1943       Section 17A-2-603, Hearing for establishment of district.
- 1944       Section 17A-2-604, Procedure at hearing upon petition.
- 1945       Section 17A-2-605, Organization of proposed district -- Adoption of ordinance --
- 1946 **Election -- Qualification of voters.**
- 1947       Section 17A-2-606, Conduct of election -- Challenges -- Judges of election.

- 1948 Section 17A-2-608, Canvass of votes -- Order of the county legislative body.
- 1949 Section 17A-2-614, Annexation of contiguous territory -- Procedure -- Petition --
- 1950 **Special election.**
- 1951 Section 17A-2-624, Winding up and dissolution of district.
- 1952 Section 17A-2-702, Petition for irrigation district -- Duty of the county legislative body
- 1953 **and state engineer -- Creation provisions superseded -- Exception.**
- 1954 Section 17A-2-703, Land and water allotments -- Revision and alteration --
- 1955 **Proceedings to list lands -- Writ of mandamus -- Hearing and determination on writ --**
- 1956 **Calling election --Conduct of election.**
- 1957 Section 17A-2-704, Notice of election -- Trustees.
- 1958 Section 17A-2-705, Canvass of returns -- Organization of district.
- 1959 Section 17A-2-731, Petition for inclusion.
- 1960 Section 17A-2-732, Notice of application -- Procedure -- Time -- Costs.
- 1961 Section 17A-2-733, Hearing on petition.
- 1962 Section 17A-2-734, Conditions precedent to granting.
- 1963 Section 17A-2-735, Action on petition.
- 1964 Section 17A-2-736, Copies of orders and plat recorded -- Additions liable.
- 1965 Section 17A-2-737, Minutes admissible in evidence.
- 1966 Section 17A-2-745, Division of districts -- Representation.
- 1967 Section 17A-2-746, Dissolution of district -- Election -- Procedure.
- 1968 Section 17A-2-747, Returns and canvass of election.
- 1969 Section 17A-2-748, Irrigation district's failure to function -- Dissolution -- Increase
- 1970 **of assessment -- Lien and tax sale.**
- 1971 Section 17A-2-811, Publication of call.
- 1972 Section 17A-2-812, Ballot.
- 1973 Section 17A-2-813, Counting ballots and canvassing returns.
- 1974 Section 17A-2-814, Consolidated elections.
- 1975 Section 17A-2-815, Certificate to lieutenant governor -- Valuation of cities approving.
- 1976 Section 17A-2-841, Annexation to district -- Validity of proceedings.
- 1977 Section 17A-2-912, Annexation of area into district -- Conditions -- Procedures --
- 1978 **Petition -- Resolution -- Protests.**



- 1979 Section 17A-2-913, Dissolution -- Election -- Apportionment of property.
- 1980 Section 17A-2-1404, Establishment of district -- Petition -- Effect of defects.
- 1981 Section 17A-2-1405, Bond to be filed with petition.
- 1982 Section 17A-2-1406, Hearing -- Jurisdiction of district court -- Court not to be
- 1983 disqualified.
- 1984 Section 17A-2-1407, Protest petition -- Objections -- Hearing -- Decree establishing
- 1985 district -- Meetings -- Dismissal of petition or proceedings -- Finality and conclusiveness of
- 1986 order --Appeal.
- 1987 Section 17A-2-1408, Findings and decree to be filed -- Fees.
- 1988 Section 17A-2-1437, Change of boundaries -- Petitions for and against inclusion within
- 1989 district -- Hearing -- Petition protesting inclusion -- Hearing -- Appeal -- Annexation
- 1990 --Hearings -- Objections -- Order of inclusion -- Findings and decrees -- Appeal.
- 1991 Section 17A-2-1815, Dissolution of regional service areas.
- 1992 Section 17A-2-1816, Annexation proceedings.
- 1993 Section 17A-2-1817, Publication.
- 1994 Section 17A-2-1818, Hearing -- Protests -- Report of officers -- Record.
- 1995 Section 17A-2-1819, Abandonment of proposed annexation -- Procedures.
- 1996 Section 17A-2-1820, Referendum election procedures.
- 1997 Section 63. Coordination clause.
- 1998 If this bill and H.B. 155, Annexation Amendments, both pass, it is the intent of the
- 1999 Legislature that the Office of Legislative Research and General Counsel, in preparing the Utah
- 2000 Code database for publication, include in the database a rewritten Subsection 17B-2-506(3) that
- 2001 shall read as follows:
- 2002 "(3) For purposes of this section, an area proposed to be annexed to a municipality in a
- 2003 petition under Section 10-2-403 filed before and still pending at the time of the filing of a petition
- 2004 under Subsection 17B-2-503(1)(a) and an area included within a municipality's annexation policy
- 2005 plan under Section 10-2-401.5 shall be considered to be part of that municipality."