

Representative Eli H. Anderson proposes the following substitute bill:

SPECIAL SERVICE DISTRICT AMENDMENTS

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: Eli H. Anderson

This act modifies the Utah Special Service District Act by exempting tax levies in connection with special service districts from Truth in Taxation requirements when a special election has already been held. The act expands the scope of services which special service districts may provide.

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

AMENDS:

17A-2-1322, as last amended by Chapters 9 and 195, Laws of Utah 2001

17A-2-1304, as last amended by Chapter 195, Laws of Utah 2001

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

Section 1. Section **17A-2-1304** is amended to read:

17A-2-1304. Establishing special service districts -- Improvement districts within special service districts.

(1) (a) A county or a municipality may establish a special service district for the purpose of providing within the area of the special service district any of the following services or any combination of them:

(i) water;

(ii) sewerage;

(iii) drainage;

(iv) flood control;

(v) garbage;

(vi) health care;



- 26 (vii) transportation;
- 27 (viii) recreation;
- 28 (ix) fire protection;
- 29 (x) in a county of the first class, providing, operating, and maintaining jail facilities for the
- 30 confinement of municipal, state, and other detainees and prisoners;
- 31 (xi) street lighting; [~~and~~]
- 32 (xii) consolidated 911 and emergency dispatch[-]; and
- 33 (xiii) animal shelter and control.

34 (b) Snow removal services may be provided in special service districts established under
35 this section to more effectively carry out the purposes of those special service districts.

36 (c) These services may be provided through facilities or systems acquired or constructed
37 for that purpose through construction, purchase, lease, contract, gift, or condemnation or any
38 combination of the above.

39 (d) Special service districts may contract with a franchised, certificated public utility for
40 the construction and operation of an electrical service distribution system within the special service
41 district.

42 (2) (a) The area within any special service district may include all or any part of the county
43 or municipality that established it except that:

44 (i) a special service district may not include the area of any other special service district
45 established by the same county or municipality that is now providing the same service proposed
46 to be supplied by the new special service district;

47 (ii) a special service district established by a county may contain all or a part of any
48 municipality or of an existing improvement district that provides the same service proposed to be
49 provided by the special service district, but only with the consent of the governing authority as
50 provided in a resolution or ordinance adopted by the governing authority; and

51 (iii) a special service district may not include any area not directly benefited by the services
52 provided under this section without the consent of the nonbenefited landowner.

53 (b) All parts of a special service district need not be contiguous.

54 (3) (a) As provided in Section 17A-2-1315, the governing authority of any special service
55 district created under this part may create one or more improvement districts within the boundaries
56 of the special service district by following the procedures in, and meeting the requirements of,

57 Chapter 3, Part 2, County Improvement District Act, or Part 3, Utah Municipal Improvement
58 District Act.

59 (b) The intent to create an improvement district need not be present at the time a special
60 service district is organized.

61 (c) Any improvement district created within the boundaries of a special service district
62 may only be organized to undertake projects or improvements for which the special service district
63 creating that improvement district was organized.

64 (d) The special service district shall meet all procedural requirements for creating an
65 improvement district at the time the improvement district is created, as provided in Section
66 17A-2-1315 and in Chapter 3, Part 2, County Improvement District Act, or Part 3, Utah Municipal
67 Improvement District Act.

68 (e) In determining whether or not a project or improvement undertaken by an improvement
69 district is within the scope of the purposes for which the special service district creating that
70 improvement district was organized, any project or improvement reasonably related to the
71 purposes for which the special service district creating that improvement district was organized
72 is considered to be within the scope of those purposes.

73 (4) The creation of a special service district to provide jail services as provided in
74 Subsection (1)(a)(x) does not affect the ability of a municipality under Section 10-8-58 to provide,
75 operate, and maintain facilities for the temporary incarceration, not to exceed 72 hours, of persons
76 charged with the violation of a municipal ordinance.

77 Section 2. Section **17A-2-1322** is amended to read:

78 **17A-2-1322. Tax levy and bonds -- Approval by majority of electors voting in**
79 **election -- Procedure for election.**

80 (1) The governing authority of a county or municipality which has established a service
81 district may levy a tax on all taxable property within the service district in addition to all other
82 taxes on such property levied or imposed by the county or municipality or by any other public
83 corporation, district, or political subdivision in which the service district is located, and may also
84 issue bonds payable in whole or in part from these taxes. No tax may be levied and no bonds or
85 guaranteed bonds shall be issued, however, unless authorized, except as otherwise provided in
86 Section 17A-2-1325, by a majority of the qualified electors of the service district voting at an
87 election for that purpose held as provided in this section.

88 (2) The proposition to levy the tax or to issue the bonds shall be submitted to the qualified
89 electors of the service district at an election called and held and for which notice is given in the
90 same manner as is provided in Title 11, Chapter 14, Utah Municipal Bond Act, for the holding of
91 bond elections. The proposition shall state the purpose or purposes for which the taxes are to be
92 levied or the bonds are to be issued. In addition, a proposition for the issuance of bonds shall state
93 the maximum amount of bonds to be issued, the maximum number of years from their respective
94 dates for which the bonds may run, and, if the bonds are to be payable in whole or in part from
95 taxes, that fact and that taxes may be levied on all taxable property in the service district to pay the
96 principal of and interest on the bonds. The purpose or purposes may be stated in general terms and
97 need not specify the particular projects or services for which the taxes are to be levied or the bonds
98 are to be issued nor the specific amount of the proceeds of the taxes or of the bonds to be expended
99 for each project or service. If bonds are to be payable in part from tax proceeds and in part from
100 the operating revenues of the service district or from any combination of them, the proposition
101 shall so indicate but need not specify how the bonds are to be divided as to source of payment. If
102 the bonds are to be issued as guaranteed bonds, the proposition shall also clearly state that fact
103 together with the name or names of the guarantors. A proposition for the levy of taxes and for the
104 issuance of bonds may be combined as a single proposition.

105 (3) (a) A tax levied under this section shall be the sole source of funding for a special
106 service district that provides jail service as provided in Subsection 17A-2-1304(1)(a)(x).

107 (b) Each tax levied under this section for a special service district that provides jail service
108 as provided in Subsection 17A-2-1304(1)(a)(x) shall be considered to be levied by the county for
109 purposes of the county's tax limitation under Section 59-2-908.

110 (4) The governing authority of a county or municipality which has levied a tax under this
111 section is exempt from the requirements of Sections 59-2-918 through 59-2-919 with respect to
112 the tax levied under this section if the service district has already conducted a successful election
113 under this section during the first fiscal year that the voter approved tax is assessed.