

**AMENDMENTS TO SPECIAL DISTRICTS AND
LOCAL DISTRICTS FOR EXPANDED FIRE
PROTECTION SERVICES**

2003 GENERAL SESSION

STATE OF UTAH

Sponsor: David L. Thomas

This act modifies provisions related to Special Districts and to Limited Purpose Local Government Entities. The act authorizes the creation of a county service area and a local district for fire protection, paramedic, and emergency services by resolution of the legislative bodies of participating counties and municipalities without the necessity of voter approval under certain circumstances. The act modifies board of trustees provisions for a district created to provide fire protection, paramedic, and emergency services. § THE ACT REQUIRES COUNTIES AND MUNICIPALITIES INCLUDED WITHIN A CERTAIN TYPE OF DISTRICT FOR FIRE PROTECTION, PARAMEDIC, AND EMERGENCY SERVICES TO REDUCE THEIR CERTIFIED TAX RATE TO OFFSET TAXES IMPOSED BY THE DISTRICT FOR THOSE SERVICES. § The act also makes technical changes.

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

AMENDS:

17A-2-403, as last amended by Chapter 90, Laws of Utah 2001

17A-2-411, as last amended by Chapter 90, Laws of Utah 2001

17B-2-202, as enacted by Chapter 368, Laws of Utah 1998

17B-2-213, as enacted by Chapter 368, Laws of Utah 1998

17B-2-214, as enacted by Chapter 368, Laws of Utah 1998

17B-2-215, as enacted by Chapter 368, Laws of Utah 1998

17B-2-216, as enacted by Chapter 368, Laws of Utah 1998

17B-2-502, as enacted by Chapter 90, Laws of Utah 2001

59-2-924, as last amended by Chapters 133, 195 and 258, Laws of Utah 2001

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

Section 1. Section **17A-2-403** is amended to read:

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



28 (1) (a) A county service area may provide: extended police protection; fire protection,
 29 paramedic, and emergency services; culinary or irrigation water retail service; water
 30 conservation; local park, recreation or parkway facilities and services; cemeteries; public
 31 libraries; sewers, sewage and storm water treatment and disposal; flood control; garbage and
 32 refuse collection; street lighting; airports; planning and zoning; local streets and roads; curb,
 33 gutter, and sidewalk construction and maintenance; mosquito abatement; health department
 34 services; hospital service; or the underground installation of an electric utility line or the
 35 conversion to underground of an existing electric utility line.

36 (b) If providing service requires the issuance of bonds or the creation of long-term
 37 obligations, the service may be supplied by means available as provided in this part.

38 (2) Each county service area that supplies the service of the underground installation of
 39 an electric utility line or the conversion to underground of an existing electric utility line shall,
 40 in installing or converting the line, provide advance notice to and coordinate with the utility
 41 that owns the line.

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

43 **17A-2-411. Board of trustees -- Selection procedures -- Surety bonds -- Other**
 44 **provisions applicable.**

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

47 (2) (a) ~~Upon~~ Except as provided in Subsection (11), upon the creation of a county
 48 service area, the county legislative body may adopt an ordinance declaring that the county
 49 legislative body of the county shall act as the trustees of the service area.

50 (b) Upon passage of the ordinance, the county legislative body of the county shall act
 51 as trustees of the service area with all the powers, authority, and responsibility vested in the
 52 trustees under this part.

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

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

57 (3) ~~At~~ Except as provided in Subsection (11), at any time after the creation of a board
 58 of trustees as provided in Subsection (1), if no elected board has been established as provided

59 in this section, the county legislative body of the county in which the service area is located
60 may:

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

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

65 (4) ~~[At]~~ Except as provided in Subsection (11), at any time after the creation of a board
66 of trustees as provided in Subsections (2) and (3), the county legislative body shall hold an
67 election for trustees by following the procedures and requirements of Chapter 1, Part 3, Special
68 District Board Selection Procedures, if:

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

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

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

75 (b) territory located within a municipality is annexed into the county service area under
76 Title 17B, Chapter 2, Part 5, Annexation.

77 (5) (a) If there is no elected board of trustees at the time of the first bond election,
78 trustees shall be elected in conjunction with that bond election, except as provided in
79 Subsection (11).

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

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

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

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

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

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

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

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

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

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

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

106 (10) (a) ~~[The]~~ Except as provided in Subsection (11), the provisions of Title 17B,
107 Chapter 2, Part 4, Board of Trustees, apply to each county service area to the same extent as if
108 the county service area were a local district under Title 17B, Chapter 2, Local Districts.

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

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

116 (iii) If a change in the number of board members necessitated by Subsection
117 17B-2-402(1) would cause the district to violate a provision of bonds issued by the district, the
118 number of board members may be modified to the extent necessary to avoid a violation.

119 (c) (i) If a change in the expiration date of the term of a board of trustees member is
120 necessary to comply with the requirements of Subsection 17B-2-403(1), the term of each board

121 member whose term expires on a day other than the first Monday in January shall be extended
122 to the first Monday in January after the normal expiration date next following the special
123 district election date under Section 17A-1-305.

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

127 (11) (a) This Subsection (11) applies to a county service area created on or after May 5,
128 2003 if:

129 (i) the county service area was created to provide fire protection, paramedic, and
130 emergency services; and

131 (ii) in the creation of the county service area, an election was not required under
132 Subsection 17B-2-214(3)(c).

133 (b) (i) Each county whose unincorporated area is included within the county service
134 area, whether in conjunction with the creation of the county service area or by later annexation,
135 shall appoint three members to the board of trustees.

136 (ii) Each municipality whose area is included within the county service area, whether
137 in conjunction with the creation of the county service area or by later annexation, shall appoint
138 one member to the board of trustees.

139 (c) The number of members of a board of trustees of a county service area to which this
140 Subsection (11) applies shall be the number resulting from application of Subsection (11)(b).

141 (d) An employee of the county service area may not serve as a member of the board of
142 trustees.

143 Section 3. Section **17B-2-202** is amended to read:

144 **17B-2-202. Local district may be created -- Services that may be provided --**
145 **Limitations -- Name.**

146 (1) A local district may be created as provided in this part to provide within its
147 boundaries service consisting of:

148 (a) the operation of an airport;

149 (b) the operation of a cemetery;

150 (c) the operation of a system for the generation or distribution of electricity;

151 (d) the operation of a system for the transmission of natural or manufactured gas that

152 is:

153 (i) connected to a gas plant, as defined in Section 54-2-1, of a gas corporation, as
154 defined in Section 54-2-1, that is regulated under Section 54-4-1; and

155 (ii) to be used to facilitate gas utility service within the district if such gas utility
156 service is not available within the district prior to the acquisition or construction of such a
157 system;

158 (e) fire protection, paramedic, and emergency services;

159 (f) garbage collection and disposal;

160 (g) health care;

161 (h) the operation of a library;

162 (i) abatement or control of mosquitos and other insects;

163 (j) the operation of parks or recreation facilities;

164 (k) the operation of a sewage system;

165 (l) street lighting;

166 (m) the construction and maintenance of curb, gutter, and sidewalk;

167 (n) transportation;

168 (o) the operation of a system for the control of storm or flood waters;

169 (p) the operation of an irrigation water system;

170 (q) the operation of a culinary water system; or

171 (r) the underground installation of an electric utility line or the conversion to
172 underground of an existing electric utility line.

173 (2) For purposes of this section:

174 (a) "Operation" means all activities involved in providing the indicated service
175 including acquisition and ownership of property reasonably necessary to provide the indicated
176 service and acquisition, construction, and maintenance of facilities and equipment reasonably
177 necessary to provide the indicated service.

178 (b) "System" means the aggregate of interrelated components that combine together to
179 provide the indicated service including:

180 (i) for a sewage system, collection and treatment; and

181 (ii) for an irrigation or culinary water system, collection, retention, treatment, and
182 distribution to either the end user or another that in turn distributes to the end user.

183 (3) (a) Except as provided in Subsection (3)(b), a local district may be created to
184 provide and may after its creation provide no more than two of the services listed in Subsection
185 (1).

186 (b) Notwithstanding Subsection (3)(a), a local district may be created to provide and
187 may after its creation provide services consisting of:

- 188 (i) the operation of some or all of the components of a sewage system;
- 189 (ii) the operation of some or all of the components of an irrigation water system; and
- 190 (iii) the operation of some or all of the components of a culinary water system.

191 (4) (a) Except as provided in Subsection (4)(b), a local district may not be created to
192 provide and may not after its creation provide to an area the same service already being
193 provided to that area by another political subdivision.

194 (b) For purposes of Subsection (4)(a), a local district does not provide the same service
195 as another political subdivision if it operates a component of a system that is different from a
196 component operated by another political subdivision but within the same:

- 197 (i) sewage system;
- 198 (ii) irrigation water system; or
- 199 (iii) culinary water system.

200 (5) ~~[The]~~ Except for a local district for which an election is not required under
201 Subsection 17B-2-214(3)(c), the area of a local district may include all or part of the
202 unincorporated area of one or more counties and all or part of one or more municipalities.

203 (6) The name of a local district:

- 204 (a) may include words descriptive of the type of service provided by the local district;
- 205 and
- 206 (b) may not include the name of a county or municipality.

207 Section 4. Section **17B-2-213** is amended to read:

208 **17B-2-213. Protest after adoption of resolution -- Adoption of resolution**
209 **approving creation for certain districts.**

210 (1) For purposes of this section, "adequate protests" means protests that are:

- 211 (a) filed with the county clerk or municipal clerk or recorder, as the case may be,
- 212 within 60 days after the last public hearing required under Section 17B-2-210; and
- 213 (b) signed by:

214 (i) the owners of private real property that:
215 (A) is located within the proposed local district;
216 (B) covers at least 25% of the total private land area within the applicable area; and
217 (C) is equal in value to at least 15% of the value of all private real property within the
218 applicable area; or
219 (ii) registered voters residing within the applicable area equal in number to at least 25%
220 of the number of votes cast in the applicable area for the office of governor at the last general
221 election prior to the adoption of the resolution.
222 (2) If adequate protests are filed, the county or municipal legislative body that adopted
223 a resolution under Subsection 17B-2-203(1)(c):
224 (a) may not:
225 (i) hold or participate in an election under Subsection 17B-2-214(1) with respect to the
226 applicable area;
227 (ii) take any further action under the protested resolution to create a local district or
228 include the applicable area in a local district; or
229 (iii) for a period of two years, adopt a resolution under Subsection 17B-2-203(1)(c)
230 proposing the creation of a local district including substantially the same area as the applicable
231 area and providing the same service as the proposed local district in the protested resolution;
232 and
233 (b) shall, within five days of receiving adequate protests, mail or deliver written
234 notification of the adequate protests to the responsible body.
235 (3) Subsection (2)(a) may not be construed to prevent an election from being held for a
236 proposed local district whose boundaries do not include an applicable area that is the subject of
237 adequate protests.
238 (4) (a) If adequate protests are not filed with respect to a resolution proposing the
239 creation of a local district for which an election is not required under Subsection
240 17B-2-214(3)(c), a resolution approving the creation of the local district may be adopted by:
241 (i) the legislative body of a county whose unincorporated area is included within the
242 proposed local district; and
243 (ii) the legislative body of a municipality whose area is included within the proposed
244 local district.

- 245 (b) Each resolution adopted under Subsection (4)(a) shall:
- 246 (i) describe the area included in the local district;
- 247 (ii) be accompanied by a map that shows the boundaries of the local district;
- 248 (iii) describe the service to be provided by the local district;
- 249 (iv) state the name of the local district; and
- 250 (v) provide a process for the appointment of the members of the initial board of
- 251 trustees.

252 Section 5. Section **17B-2-214** is amended to read:

253 **17B-2-214. Election.**

254 (1) (a) Except as provided [~~under~~] in Subsection (3) and in Subsection
255 17B-2-213(2)(a), an election on the question of whether the local district should be created
256 shall be held by:

257 (i) if the proposed local district is located entirely within a single county, the
258 responsible clerk; or

259 (ii) except as provided under Subsection (1)(b), if the proposed local district is located
260 within more than one county, the clerk of each county in which part of the proposed local
261 district is located, in cooperation with the responsible clerk.

262 (b) Notwithstanding Subsection (1)(a)(ii), if the proposed local district is located
263 within more than one county and the only area of a county that is included within the proposed
264 local district is located within a single municipality, the election for that area shall be held by
265 the municipal clerk or recorder, in cooperation with the responsible clerk.

266 (2) Each election under Subsection (1) shall be held at the next special or regular
267 general election date that is:

268 (a) for an election pursuant to a property owner or registered voter petition, more than
269 45 days after certification of the petition under Subsection 17B-2-209(3)(b)(i); or

270 (b) for an election pursuant to a resolution, more than 60 days after the latest hearing
271 required under Section 17B-2-210.

272 (3) The election requirement of Subsection (1) does not apply:

273 (a) to a petition filed under Subsection 17B-2-203(1)(a) if it contains the signatures of
274 the owners of private real property that:

275 (i) is located within the proposed local district;

276 (ii) covers at least 67% of the total private land area within the proposed local district
277 as a whole and within each applicable area; and

278 (iii) is equal in value to at least 50% of the value of all private real property within the
279 proposed local district as a whole and within each applicable area; [or]

280 (b) to a petition filed under Subsection 17B-2-203(1)(b) if it contains the signatures of
281 registered voters residing within the proposed local district as a whole and within each
282 applicable area, equal in number to at least 67% of the number of votes cast in the proposed
283 local district as a whole and in each applicable area, respectively, for the office of governor at
284 the last general election prior to the filing of the petition[-]; or

285 (c) to a resolution adopted under Subsection 17B-2-203(1)(c) on or after May 5, 2003
286 that proposes the creation of a local district to provide fire protection, paramedic, and
287 emergency services, if the proposed local district includes all of the unincorporated area of one
288 or more counties and all of the area within one or more municipalities.

289 (4) (a) If the proposed local district is located in more than one county, the responsible
290 clerk shall coordinate with the clerk of each other county and the clerk or recorder of each
291 municipality involved in an election under Subsection (1) so that the election is held on the
292 same date and in a consistent manner in each jurisdiction.

293 (b) The clerk of each county and the clerk or recorder of each municipality involved in
294 an election under Subsection (1) shall cooperate with the responsible clerk in holding the
295 election.

296 (c) Except as otherwise provided in this part, each election under Subsection (1) shall
297 be governed by Title 20A, [~~Elections~~] Election Code.

298 Section 6. Section **17B-2-215** is amended to read:

299 **17B-2-215. Certification to lieutenant governor -- Certificate of incorporation --**
300 **Notice to State Tax Commission and state auditor -- Local district incorporated --**
301 **Incorporation presumed conclusive.**

302 (1) The responsible body shall file a notice with the lieutenant governor within ten days
303 after:

304 (a) the canvass of an election under Section 17B-2-214, if a majority of those voting at
305 the election within the proposed local district as a whole vote in favor of the creation of a local
306 district; [or]

307 (b) certification of a petition as to which the election requirement of Subsection
308 17B-2-214(1) does not apply because of Subsection 17B-2-214(3)[-](a) or (b); or
309 (c) adoption of a resolution approving the creation of a local district for which an
310 election was not required under Subsection 17B-2-214(3)(c), by the legislative body of each
311 county whose unincorporated area is included within and the legislative body of each
312 municipality whose area is included within the proposed local district.

313 (2) In each notice under Subsection (1) the responsible body shall:

314 (a) if the notice follows an election under Section 17B-2-214:

315 (i) certify the results of the election; and

316 (ii) describe the boundaries of the new local district; and

317 (b) certify that all requirements for the creation of a local district have been complied
318 with.

319 (3) (a) Within ten days after receiving the notice under Subsection (1), the lieutenant
320 governor shall issue a certificate of incorporation for the new local district and send a copy of
321 the certificate to the responsible body.

322 (b) The area of each local district declared to be incorporated by a certificate of
323 incorporation issued under this section shall consist of:

324 (i) if an election was held under Section 17B-2-214, the area of the new local district as
325 approved at the election; [or]

326 (ii) if an election was not required because of Subsection 17B-2-214(3)(a) or (b), the
327 area of the proposed local district as described in the petition[-]; or

328 (iii) if an election was not required because of Subsection 17B-2-214(3)(c), the area of
329 the new local district as described in the resolution adopted under Subsection 17B-2-213(4).

330 (4) (a) Within 30 days after receiving a certificate of incorporation under Subsection
331 (3), the responsible body shall file a written notice of the creation of the local district with the
332 State Tax Commission and the state auditor.

333 (b) Each notice to the State Tax Commission under Subsection (4)(a) shall be
334 accompanied by:

335 (i) a copy of the lieutenant governor's certificate of incorporation; and

336 (ii) a map showing the boundaries of the local district, prepared and certified by a
337 licensed surveyor.

338 (5) Upon the lieutenant governor's issuance of the certificate of incorporation, the local
339 district is created and incorporated.

340 (6) A local district shall be conclusively presumed to be lawfully incorporated if no
341 challenge to the existence or incorporation of the local district is filed in district court within 90
342 days after the lieutenant governor issues a certificate of incorporation.

343 Section 7. Section **17B-2-216** is amended to read:

344 **17B-2-216. Costs and expenses of creating local district.**

345 (1) Except as provided in Subsection (2), each county whose unincorporated area
346 includes and each municipality whose boundaries include some or all of the proposed local
347 district shall bear their respective costs and expenses associated with the procedure under this
348 part for creating a local district.

349 (2) Within a year after its creation, each local district shall reimburse the costs and
350 expenses associated with the preparation and certification of the map of the local district under
351 Subsection 17B-2-215[~~(3)~~](4)(b)(ii).

352 Section 8. Section **17B-2-502** is amended to read:

353 **17B-2-502. Annexation of area outside local district.**

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

357 (2) The area proposed to be annexed:

- 358 (a) may consist of one or more noncontiguous areas; and
- 359 (b) need not be adjacent to the boundaries of the proposed annexing local district.

360 (3) With respect to a local district in the creation of which an election was not required
361 under Subsection 17B-2-214(3)(c):

362 (a) the annexation of any part of the unincorporated area of a county shall include all of
363 the unincorporated area of the county; and

364 (b) the annexation of any part of an area within a municipality shall include all of the
365 area within the municipality.

366 Section 9. Section **59-2-924** is amended to read:

367 **59-2-924. Report of valuation of property to county auditor and commission --**
368 **Transmittal by auditor to governing bodies -- Certified tax rate -- Adoption of tentative**

369 **budget.**

370 (1) (a) Before June 1 of each year, the county assessor of each county shall deliver to
371 the county auditor and the commission the following statements:

372 (i) a statement containing the aggregate valuation of all taxable property in each taxing
373 entity; and

374 (ii) a statement containing the taxable value of any additional personal property
375 estimated by the county assessor to be subject to taxation in the current year.

376 (b) The county auditor shall, on or before June 8, transmit to the governing body of
377 each taxing entity:

378 (i) the statements described in Subsections (1)(a)(i) and (ii);

379 (ii) an estimate of the revenue from personal property;

380 (iii) the certified tax rate; and

381 (iv) all forms necessary to submit a tax levy request.

382 (2) (a) (i) The "certified tax rate" means a tax rate that will provide the same ad valorem
383 property tax revenues for a taxing entity as were collected by that taxing entity for the prior
384 year.

385 (ii) For purposes of this Subsection (2), "ad valorem property tax revenues" do not
386 include:

387 (A) collections from redemptions;

388 (B) interest; and

389 (C) penalties.

390 (iii) Except as provided in Subsection (2)(a)(iv), the certified tax rate shall be
391 calculated by dividing the ad valorem property tax revenues collected for the prior year by the
392 taxing entity by the taxable value established in accordance with Section 59-2-913.

393 (iv) The certified tax rates for the taxing entities described in this Subsection (2)(a)(iv)
394 shall be calculated as follows:

395 (A) except as provided in Subsection (2)(a)(iv)(B), for new taxing entities the certified
396 tax rate is zero;

397 (B) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

398 (I) in a county of the first, second, or third class, the levy imposed for municipal-type
399 services under Sections 17-34-1 and 17-36-9; and

400 (II) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
401 purposes and such other levies imposed solely for the municipal-type services identified in
402 Section 17-34-1 and Subsection 17-36-3(22);

403 (C) for debt service voted on by the public, the certified tax rate shall be the actual levy
404 imposed by that section, except that the certified tax rates for the following levies shall be
405 calculated in accordance with Section 59-2-913 and this section:

406 (I) school leeways provided for under Sections 11-2-7, 53A-16-110, 53A-17a-125,
407 53A-17a-127, 53A-17a-134, 53A-17a-143, 53A-17a-145, and 53A-21-103; and

408 (II) levies to pay for the costs of state legislative mandates or judicial or administrative
409 orders under Section 59-2-906.3.

410 (v) (A) A judgment levy imposed under Section 59-2-1328 or Section 59-2-1330 shall
411 be established at that rate which is sufficient to generate only the revenue required to satisfy
412 one or more eligible judgments, as defined in Section 59-2-102.

413 (B) The ad valorem property tax revenue generated by the judgment levy shall not be
414 considered in establishing the taxing entity's aggregate certified tax rate.

415 (b) (i) For the purpose of calculating the certified tax rate, the county auditor shall use
416 the taxable value of property on the assessment roll.

417 (ii) For purposes of Subsection (2)(b)(i), the taxable value of property on the
418 assessment roll does not include new growth as defined in Subsection (2)(b)(iii).

419 (iii) "New growth" means:

420 (A) the difference between the increase in taxable value of the taxing entity from the
421 previous calendar year to the current year; minus

422 (B) the amount of an increase in taxable value described in Subsection (2)(b)(iv).

423 (iv) Subsection (2)(b)(iii)(B) applies to the following increases in taxable value:

424 (A) the amount of increase to locally assessed real property taxable values resulting
425 from factoring, reappraisal, or any other adjustments; or

426 (B) the amount of an increase in the taxable value of property assessed by the
427 commission under Section 59-2-201 resulting from a change in the method of apportioning the
428 taxable value prescribed by:

429 (I) the Legislature;

430 (II) a court;

431 (III) the commission in an administrative rule; or

432 (IV) the commission in an administrative order.

433 (c) Beginning January 1, 1997, if a taxing entity receives increased revenues from
434 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, or 59-2-405.1 as
435 a result of any county imposing a sales and use tax under Chapter 12, Part 11, County Option
436 Sales and Use Tax, the taxing entity shall decrease its certified tax rate to offset the increased
437 revenues.

438 (d) (i) Beginning July 1, 1997, if a county has imposed a sales and use tax under
439 Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:

440 (A) decreased on a one-time basis by the amount of the estimated sales tax revenue to
441 be distributed to the county under Subsection 59-12-1102(3); and

442 (B) increased by the amount necessary to offset the county's reduction in revenue from
443 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, or 59-2-405.1 as
444 a result of the decrease in the certified tax rate under Subsection (2)(d)(i)(A).

445 (ii) The commission shall determine estimates of sales tax distributions for purposes of
446 Subsection (2)(d)(i).

447 (e) Beginning January 1, 1998, if a municipality has imposed an additional resort
448 communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be
449 decreased on a one-time basis by the amount necessary to offset the first 12 months of
450 estimated revenue from the additional resort communities sales tax imposed under Section
451 59-12-402.

452 (f) For the calendar year beginning on January 1, 1999, and ending on December 31,
453 1999, a taxing entity's certified tax rate shall be adjusted by the amount necessary to offset the
454 adjustment in revenues from uniform fees on tangible personal property under Section
455 59-2-405.1 as a result of the adjustment in uniform fees on tangible personal property under
456 Section 59-2-405.1 enacted by the Legislature during the 1998 Annual General Session.

457 (g) For purposes of Subsections (2)(h) through (j):

458 (i) "1998 actual collections" means the amount of revenues a taxing entity actually
459 collected for the calendar year beginning on January 1, 1998, under Section 59-2-405 for:

460 (A) motor vehicles required to be registered with the state that weigh 12,000 pounds or
461 less; and

462 (B) state-assessed commercial vehicles required to be registered with the state that
463 weigh 12,000 pounds or less.

464 (ii) "1999 actual collections" means the amount of revenues a taxing entity actually
465 collected for the calendar year beginning on January 1, 1999, under Section 59-2-405.1.

466 (h) For the calendar year beginning on January 1, 2000, the commission shall make the
467 following adjustments:

468 (i) the commission shall make the adjustment described in Subsection (2)(i)(i) if, for
469 the calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were
470 greater than the sum of:

471 (A) the taxing entity's 1999 actual collections; and

472 (B) any adjustments the commission made under Subsection (2)(f);

473 (ii) the commission shall make the adjustment described in Subsection (2)(i)(ii) if, for
474 the calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were
475 greater than the taxing entity's 1999 actual collections, but the taxing entity's 1998 actual
476 collections were less than the sum of:

477 (A) the taxing entity's 1999 actual collections; and

478 (B) any adjustments the commission made under Subsection (2)(f); and

479 (iii) the commission shall make the adjustment described in Subsection (2)(i)(iii) if, for
480 the calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were
481 less than the taxing entity's 1999 actual collections.

482 (i) (i) For purposes of Subsection (2)(h)(i), the commission shall increase a taxing
483 entity's certified tax rate under this section and a taxing entity's certified revenue levy under
484 Section 59-2-906.1 by the amount necessary to offset the difference between:

485 (A) the taxing entity's 1998 actual collections; and

486 (B) the sum of:

487 (I) the taxing entity's 1999 actual collections; and

488 (II) any adjustments the commission made under Subsection (2)(f).

489 (ii) For purposes of Subsection (2)(h)(ii), the commission shall decrease a taxing
490 entity's certified tax rate under this section and a taxing entity's certified revenue levy under
491 Section 59-2-906.1 by the amount necessary to offset the difference between:

492 (A) the sum of:

493 (I) the taxing entity's 1999 actual collections; and
494 (II) any adjustments the commission made under Subsection (2)(f); and
495 (B) the taxing entity's 1998 actual collections.
496 (iii) For purposes of Subsection (2)(h)(iii), the commission shall decrease a taxing
497 entity's certified tax rate under this section and a taxing entity's certified revenue levy under
498 Section 59-2-906.1 by the amount of any adjustments the commission made under Subsection
499 (2)(f).

500 (j) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, for
501 purposes of Subsections (2)(f) through (i), the commission may make rules establishing the
502 method for determining a taxing entity's 1998 actual collections and 1999 actual collections.

503 (k) (i) (A) For fiscal year 2000, the certified tax rate of each county required under
504 Subsection 17-34-1(4)(a) to provide advanced life support and paramedic services to the
505 unincorporated area of the county shall be decreased by the amount necessary to reduce
506 revenues in that fiscal year by an amount equal to the difference between the amount the county
507 budgeted in its 2000 fiscal year budget for advanced life support and paramedic services
508 countywide and the amount the county spent during fiscal year 2000 for those services,
509 excluding amounts spent from a municipal services fund for those services.

510 (B) For fiscal year 2001, the certified tax rate of each county to which Subsection
511 (2)(k)(i)(A) applies shall be decreased by the amount necessary to reduce revenues in that fiscal
512 year by the amount that the county spent during fiscal year 2000 for advanced life support and
513 paramedic services countywide, excluding amounts spent from a municipal services fund for
514 those services.

515 (ii) (A) A city or town located within a county of the first class to which Subsection
516 (2)(k)(i) applies may increase its certified tax rate by the amount necessary to generate within
517 the city or town the same amount of revenues as the county would collect from that city or
518 town if the decrease under Subsection (2)(k)(i) did not occur.

519 (B) An increase under Subsection (2)(k)(ii)(A), whether occurring in a single fiscal
520 year or spread over multiple fiscal years, is not subject to the notice and hearing requirements
521 of Sections 59-2-918 and 59-2-919.

522 (l) (i) The certified tax rate of each county required under Subsection 17-34-1(4)(b) to
523 provide detective investigative services to the unincorporated area of the county shall be

524 decreased:

525 (A) in fiscal year 2001 by the amount necessary to reduce revenues in that fiscal year
526 by at least \$4,400,000; and

527 (B) in fiscal year 2002 by the amount necessary to reduce revenues in that fiscal year
528 by an amount equal to the difference between \$9,258,412 and the amount of the reduction in
529 revenues under Subsection (2)(l)(i)(A).

530 (ii) (A) (I) Beginning with municipal fiscal year 2002, a city or town located within a
531 county to which Subsection (2)(l)(i) applies may increase its certified tax rate to generate
532 within the city or town the same amount of revenue as the county would have collected during
533 county fiscal year 2001 from within the city or town except for Subsection (2)(l)(i)(A).

534 (II) Beginning with municipal fiscal year 2003, a city or town located within a county
535 to which Subsection (2)(l)(i) applies may increase its certified tax rate to generate within the
536 city or town the same amount of revenue as the county would have collected during county
537 fiscal year 2002 from within the city or town except for Subsection (2)(l)(i)(B).

538 (B) (I) Except as provided in Subsection (2)(l)(ii)(B)(II), an increase in the city or
539 town's certified tax rate under Subsection (2)(l)(ii)(A), whether occurring in a single fiscal year
540 or spread over multiple fiscal years, is subject to the notice and hearing requirements of
541 Sections 59-2-918 and 59-2-919.

542 (II) For an increase under this Subsection (2)(l)(ii) that generates revenue that does not
543 exceed the same amount of revenue as the county would have collected except for Subsection
544 (2)(l)(i), the requirements of Sections 59-2-918 and 59-2-919 do not apply if the city or town:

545 (aa) publishes a notice that meets the size, type, placement, and frequency requirements
546 of Section 59-2-919, reflects that the increase is a shift of a tax from one imposed by the county
547 to one imposed by the city or town, and explains how the revenues from the tax increase will
548 be used; and

549 (bb) holds a public hearing on the tax shift that may be held in conjunction with the
550 city or town's regular budget hearing.

551 (m) (i) This Subsection (2)(m) applies to each county that:

552 (A) establishes a countywide special service district under Title 17A, Chapter 2, Part
553 13, Utah Special Service District Act, to provide jail service, as provided in Subsection
554 17A-2-1304(1)(a)(x); and

555 (B) levies a property tax on behalf of the special service district under Section
556 17A-2-1322.

557 (ii) (A) The certified tax rate of each county to which this Subsection (2)(m) applies
558 shall be decreased by the amount necessary to reduce county revenues by the same amount of
559 revenues that will be generated by the property tax imposed on behalf of the special service
560 district.

561 (B) Each decrease under Subsection (2)(m)(ii)(A) shall occur contemporaneously with
562 the levy on behalf of the special service district under Section 17A-2-1322.

563 (n) (i) As used in this Subsection (2)(n):

564 (A) "Annexing county" means a county whose unincorporated area is included within a
565 fire district by annexation.

566 (B) "Annexing municipality" means a municipality whose area is included within a fire
567 district by annexation.

568 ~~§ [(C) "Average tax rate" means the figure that results from adding the fire protection tax~~
569 ~~rate of each participating county and each participating municipality and then dividing by the~~
570 ~~total number of participating counties and participating municipalities.] (C) "EQUALIZED FIRE~~
570a ~~PROTECTION TAX RATE" MEANS THE TAX RATE THAT RESULTS FROM:~~

570b (I) CALCULATING, FOR EACH PARTICIPATING COUNTY AND EACH PARTICIPATING
570c MUNICIPALITY, THE PROPERTY TAX REVENUE NECESSARY TO COVER ALL OF THE COSTS
570d ASSOCIATED WITH PROVIDING FIRE PROTECTION, PARAMEDIC, AND EMERGENCY SERVICES:

570e (aa) FOR A PARTICIPATING COUNTY, IN THE UNINCORPORATED AREA OF THE COUNTY;
570f AND

570g (bb) FOR A PARTICIPATING MUNICIPALITY, IN THE MUNICIPALITY; AND

570h (II) ADDING ALL THE AMOUNTS CALCULATED UNDER SUBSECTION (2)(i)(C)(I) FOR ALL
570i PARTICIPATING COUNTIES AND ALL PARTICIPATING MUNICIPALITIES AND THEN DIVIDING THAT
570j SUM BY THE AGGREGATE TAXABLE VALUE OF THE PROPERTY, AS ADJUSTED IN ACCORDANCE
570k WITH SECTION 59-2-913:

570l (aa) FOR PARTICIPATING COUNTIES, IN THE UNINCORPORATED AREA OF ALL
570m PARTICIPATING COUNTIES; AND

570n (bb) FOR PARTICIPATING MUNICIPALITIES, IN ALL THE PARTICIPATING MUNICIPALITIES. §

571 (D) "Fire district" means a county service area under Title 17A, Chapter 2, Part 4,
572 County Service Area Act, in the creation of which an election was not required under
573 Subsection 17B-2-214(3)(c).

574 (E) "Fire protection tax rate" means:

575 (I) for § [a participating county or] § an annexing county, the property tax rate that, when
576 applied to taxable property in the unincorporated area of the county, generates enough property
577 tax revenue to cover all the costs associated with providing fire protection, paramedic, and
578 emergency services in the unincorporated area of the county; and

579 (II) for § [a participating municipality or] § an annexing municipality, the property tax rate

580 that generates enough property tax revenue in the municipality to cover all the costs associated
581 with providing fire protection, paramedic, and emergency services in the municipality.

582 (F) "Participating county" means a county whose unincorporated area is included
583 within a fire district at the time of the creation of the fire district.

584 (G) "Participating municipality" means a municipality whose area is included within a
585 fire district at the time of the creation of the fire district.

586 § ~~(ii)~~ (ii) § In the first year following creation of a fire district, the certified tax rate of each
 587 participating county and each participating municipality shall be decreased by the amount of
 588 the § [average] EQUALIZED FIRE PROTECTION § tax rate.

589 § ~~(iii)~~ (iii) § In the first year following annexation to a fire district, the certified tax rate of each
 590 § [participating] ANNEXING § county and each § [participating] ANNEXING § municipality shall be
 590a decreased by § [:]

591 ~~[(A) the amount of the certified tax rate of the fire district; or]~~

592 ~~[(B) if the fire district has no certified tax rate;]~~ § the fire protection tax rate.

593 (3) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.

594 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county
 595 auditor of:

596 (i) its intent to exceed the certified tax rate; and

597 (ii) the amount by which it proposes to exceed the certified tax rate.

598 (c) The county auditor shall notify all property owners of any intent to exceed the
 599 certified tax rate in accordance with Subsection 59-2-919(2).

600 (4) (a) The taxable value for the base year under Subsection 17B-4-102(4) shall be
 601 reduced for any year to the extent necessary to provide a redevelopment agency established
 602 under Title 17B, Chapter 4, Redevelopment Agencies Act, with approximately the same
 603 amount of money the agency would have received without a reduction in the county's certified
 604 tax rate if:

605 (i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or
 606 (2)(d)(i);

607 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the
 608 previous year; and

609 (iii) the decrease results in a reduction of the amount to be paid to the agency under
 610 Section 17B-4-1003 or 17B-4-1004.

611 (b) The taxable value of the base year under Subsection ~~[17B-4-101]~~ 17B-4-102(4)
 612 shall be increased in any year to the extent necessary to provide a redevelopment agency with
 613 approximately the same amount of money as the agency would have received without an
 614 increase in the certified tax rate that year if:

615 (i) in that year the taxable value for the base year under Subsection ~~[17B-4-101]~~
 616 17B-4-102(4) is reduced due to a decrease in the certified tax rate under Subsection (2)(c) or

617 (2)(d)(i); and

618 (ii) The certified tax rate of a city, school district, or special district increases
619 independent of the adjustment to the taxable value of the base year.

620 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or
621 (2)(d)(i), the amount of money allocated and, when collected, paid each year to a
622 redevelopment agency established under Title 17B, Chapter 4, Redevelopment Agencies Act,
623 for the payment of bonds or other contract indebtedness, but not for administrative costs, may
624 not be less than that amount would have been without a decrease in the certified tax rate under
625 Subsection (2)(c) or (2)(d)(i).

Legislative Review Note
as of 1-27-03 3:21 PM

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

Office of Legislative Research and General Counsel