

**SPECIAL DISTRICT FOR POLICE  
SERVICES**

2005 GENERAL SESSION

STATE OF UTAH

**Sponsor: Ross I. Romero**

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**LONG TITLE**

**General Description:**

This bill modifies provisions relating to special districts and local districts to establish a separate process for the creation and governance of a county service area to provide extended police protection services.

**Highlighted Provisions:**

This bill:

- ▶ authorizes the creation of a county service area and a local district for extended police protection service by resolution of the legislative body of the participating county and the legislative body of participating municipalities without the necessity of voter approval under certain circumstances;
- ▶ adds extended police protection as a service that a local district may provide;
- ▶ provides for the composition of the board of trustees of a county service area for extended police protection services;
- ▶ requires the county and the municipalities included within a county service area for extended police protection to reduce their certified tax rate to offset the cost of extended police protection services;
- ▶ imputes a tax imposed by a police district to the county or municipality included within the district for purposes of the county or municipality's tax limit;
- ▶ adds police districts to provisions that provide for:
  - automatic annexation to the district when an area is annexed to a municipality



within the district;

- automatic withdrawal from the district when an area within the district is annexed to a municipality that is not within the district; and
- an alternate method of withdrawing an area within a municipality from the district upon resolution of the municipal legislative body and a vote of voters within the municipality; and
- makes technical and conforming changes.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

**AMENDS:**

- 10-2-406**, as last amended by Chapters 211 and 257, Laws of Utah 2003
- 10-2-419**, as last amended by Chapter 257, Laws of Utah 2003
- 17A-2-411**, as last amended by Chapter 257, Laws of Utah 2003
- 17B-2-202**, as last amended by Chapter 257, Laws of Utah 2003
- 17B-2-214**, as last amended by Chapter 6, Laws of Utah 2003, Second Special Session
- 17B-2-515.5**, as enacted by Chapter 257, Laws of Utah 2003
- 17B-2-601**, as last amended by Chapter 257, Laws of Utah 2003
- 17B-2-603.5**, as enacted by Chapter 257, Laws of Utah 2003
- 59-2-924**, as last amended by Chapter 122, Laws of Utah 2003

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

Section 1. Section **10-2-406** is amended to read:

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

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

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

59 (A) the area proposed for annexation; and  
60 (B) the unincorporated area within 1/2 mile of the area proposed for annexation; or  
61 (ii) if there is no newspaper of general circulation within those areas, post written  
62 notices in conspicuous places within those areas that are most likely to give notice to residents  
63 within those areas; and  
64 (b) within 20 days of receipt of the notice of certification under Subsection 10-2-405(2)  
65 (c)(i), mail written notice to each affected entity.  
66 (2) (a) The notice under Subsections (1)(a) and (b) shall:  
67 (i) state that a petition has been filed with the municipality proposing the annexation of  
68 an area to the municipality;  
69 (ii) state the date of the municipal legislative body's receipt of the notice of certification  
70 under Subsection 10-2-405(2)(c)(i);  
71 (iii) describe the area proposed for annexation in the annexation petition;  
72 (iv) state that the complete annexation petition is available for inspection and copying  
73 at the office of the city recorder or town clerk;  
74 (v) state in conspicuous and plain terms that the municipality may grant the petition  
75 and annex the area described in the petition unless, within the time required under Subsection  
76 10-2-407(2)(a)(i)(A), a written protest to the annexation petition is filed with the commission  
77 and a copy of the protest delivered to the city recorder or town clerk of the proposed annexing  
78 municipality;  
79 (vi) state the address of the commission or, if a commission has not yet been created in  
80 the county, the county clerk, where a protest to the annexation petition may be filed;  
81 (vii) state that the area proposed for annexation to the municipality will also  
82 automatically be annexed to a local district providing fire protection, paramedic, and  
83 emergency services or extended police protection service, as the case may be, as provided in  
84 Section 17B-2-515.5, if:  
85 (A) the proposed annexing municipality is entirely within the boundaries of a local  
86 district:  
87 (I) that provides, as the case may be:  
88 (Aa) fire protection, paramedic, and emergency services; [and] or  
89 (Bb) extended police protection service; and

(II) in the creation of which an election was not required because of Subsection 17B-2-214(3)(c); and

(B) the area proposed to be annexed to the municipality is not already within the boundaries of the local district; and

(viii) state that the area proposed for annexation to the municipality will be automatically withdrawn from a local district providing fire protection, paramedic, and emergency services or extended police protection service, as the case may be, as provided in Subsection 17B-2-601(2), if:

(A) the petition proposes the annexation of an area that is within the boundaries of a local district:

(I) that provides, as the case may be:

(Aa) fire protection, paramedic, and emergency services; [~~and~~] or

(Bb) extended police protection service; and

(II) in the creation of which an election was not required because of Subsection 17B-2-214(3)(c); and

(B) the proposed annexing municipality is not within the boundaries of the local district.

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

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

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

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

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

Section 2. Section **10-2-419** is amended to read:

**10-2-419. Boundary adjustment -- Notice and hearing -- Protest.**

(1) The legislative bodies of two or more municipalities having common boundaries may adjust their common boundaries as provided in this section.

(2) (a) The legislative body of each municipality intending to adjust a boundary that is common with another municipality shall:

(i) adopt a resolution indicating the intent of the municipal legislative body to adjust a common boundary;

(ii) hold a public hearing on the proposed adjustment no less than 60 days after the adoption of the resolution under Subsection (2)(a)(i); and

(iii) (A) publish notice at least once a week for three successive weeks in a newspaper of general circulation within the municipality; or

(B) if there is no newspaper of general circulation within the municipality, post at least one notice per 1,000 population in places within the municipality that are most likely to give notice to residents of the municipality.

(b) The notice required under Subsection (2)(a)(iii) shall:

(i) state that the municipal legislative body has adopted a resolution indicating the municipal legislative body's intent to adjust a boundary that the municipality has in common with another municipality;

(ii) describe the area proposed to be adjusted;

(iii) state the date, time, and place of the public hearing required under Subsection (2)(a)(ii);

(iv) state in conspicuous and plain terms that the municipal legislative body will adjust the boundaries unless, at or before the public hearing under Subsection (2)(a)(ii), written protests to the adjustment are filed by the owners of private real property that:

(A) is located within the area proposed for adjustment;

(B) covers at least 25% of the total private land area within the area proposed for adjustment; and

(C) is equal in value to at least 15% of the value of all private real property within the area proposed for adjustment; and

(v) state that the area that is the subject of the boundary adjustment will, as provided in Section 17B-2-515.5 and because of the boundary adjustment, be automatically annexed to a local district providing fire protection, paramedic, and emergency services[, ~~as provided in~~

~~Section 17B-2-515.5]~~ or extended police protection service, as the case may be, if:

(A) the municipality to which the area is being added because of the boundary adjustment is entirely within the boundaries of a local district:

(I) that provides, as the case may be:

(Aa) fire protection, paramedic, and emergency services; [and] or

(Bb) extended police protection service; and

(II) in the creation of which an election was not required because of Subsection 17B-2-214(3)(c); and

(B) the municipality from which the area is being taken because of the boundary adjustment is not within the boundaries of the local district; and

(vi) state that the area proposed for annexation to the municipality will, as provided in Subsection 17B-2-601(2), be automatically withdrawn from a local district providing fire protection, paramedic, and emergency services~~[, as provided in Subsection 17B-2-601(2)]~~ or extended police protection service, as the case may be, if:

(A) the municipality to which the area is being added because of the boundary adjustment is not within the boundaries of a local district:

(I) that provides, as the case may be:

(Aa) fire protection, paramedic, and emergency services; [and] or

(Bb) extended police protection service; and

(II) in the creation of which an election was not required because of Subsection 17B-2-214(3)(c); and

(B) the municipality from which the area is being taken because of the boundary adjustment is entirely within the boundaries of the local district.

(c) The first publication of the notice required under Subsection (2)(a)(iii)(A) shall be within 14 days of the municipal legislative body's adoption of a resolution under Subsection (2)(a)(i).

(3) Upon conclusion of the public hearing under Subsection (2)(a)(ii), the municipal legislative body may adopt an ordinance adjusting the common boundary unless, at or before the hearing under Subsection (2)(a)(ii), written protests to the adjustment have been filed with the city recorder or town clerk, as the case may be, by the owners of private real property that:

(a) is located within the area proposed for adjustment;

(b) covers at least 25% of the total private land area within the area proposed for adjustment; and

(c) is equal in value to at least 15% of the value of all private real property within the area proposed for adjustment.

(4) An ordinance adopted under Subsection (3) becomes effective when each municipality involved in the boundary adjustment has adopted an ordinance under Subsection (3).

Section 3. Section **17A-2-411** is amended to read:

**17A-2-411. Board of trustees -- Selection procedures -- Surety bonds -- Other provisions applicable -- Board membership for certain service areas providing fire protection, paramedic, and emergency services or extended police protection service.**

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

(2) (a) Except as provided in ~~Subsection~~ Subsections (11) and (12), upon the creation of a county service area, the county legislative body may adopt an ordinance declaring that the county legislative body of the county shall act as the trustees of the service area.

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

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

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

(3) Except as provided in ~~Subsection~~ Subsections (11) and (12), at any time after the creation of a board of trustees as provided in Subsection (1), if no elected board has been established as provided in this section, the county legislative body of the county in which the service area is located may:

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

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

(4) Except as provided in ~~[Subsection]~~ Subsections (11) and (12), at any time after the creation of a board of trustees as provided in Subsections (2) and (3), the county legislative body shall hold an election for trustees by following the procedures and requirements of Chapter 1, Part 3, Special District Board Selection Procedures, if:

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

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

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

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

(5) (a) If there is no elected board of trustees at the time of the first bond election, trustees shall be elected in conjunction with that bond election, except as provided in ~~[Subsection]~~ Subsections (11) and (12).

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

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

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

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

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

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

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



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

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

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

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

(10) (a) Except as provided in ~~[Subsection]~~ Subsections (11) and (12), the provisions of Title 17B, Chapter 2, Part 4, Board of Trustees, apply to each county service area to the same extent as if the county service area were a local district under Title 17B, Chapter 2, Local Districts.

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

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

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

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

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

the expiration of the term of the member whose term length is to be changed.

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

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

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

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

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

(iii) Each member appointed by a county under Subsection (11)(b)(i) shall be an elected official of the appointing county, and each member appointed by a municipality under Subsection (11)(b)(ii) shall be an elected official of the appointing municipality.

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

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

(12) (a) This Subsection (12) applies to each county service area created on or after May 2, 2005 if:

(i) the county service area was created to provide extended police protection service; and

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

(b) (i) The county whose unincorporated area is partially or fully included within the county service area shall appoint to the board of trustees:

(A) if the county has a population that does not exceed 50,000, one member who shall be:

(I) in a county operating under the county executive-council form of government under

Section 17-52-504, the county executive; or

(II) in any other county, a member of the county commission or council;

(B) if the county has a population over 50,000 but not over 100,000, two members who shall be:

(I) in a county operating under the county executive-council form of government under Section 17-52-504, the county executive and a member of the county council; or

(II) in any other county, two members of the county commission or council;

(C) if the county has a population over 100,000 but not over 150,000, three members who shall be:

(I) in a county operating under the county executive-council form of government under Section 17-52-504, the county executive and two members of the county council; or

(II) in any other county, three members of the county commission or council; and

(D) if the county has a population over 150,000, four members who shall be:

(I) in a county operating under the county executive-council form of government under Section 17-52-504, the county executive and three members of the county council;

(II) in a county operating under a county commission form of government under Section 17-52-501 or a council-manager form of government under Section 17-52-505 with a three-member council, the three commission or council members, as the case may be, and another elected county official chosen by the commission or council; or

(III) in any other county, four members of the county commission or council.

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

(A) one member, if the municipality has a population that does not exceed 50,000, who shall be the mayor;

(B) two members, if the municipality has a population over 50,000 but not over 100,000, who shall be the mayor and a member of the municipal council;

(C) three members, if the municipality has a population over 100,000 but not over 150,000, who shall be the mayor and two members of the municipal council; and

(D) four members, if the municipality has a population over 150,000, who shall be the mayor and three members of the municipal council.

(c) The number of members of a board of trustees of a county service area to which this Subsection (12) applies shall be the number resulting from application of Subsection (12)(b).

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

Section 4. Section **17B-2-202** is amended to read:

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

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

- (a) the operation of an airport;
- (b) the operation of a cemetery;
- (c) the operation of a system for the generation or distribution of electricity;
- (d) the operation of a system for the transmission of natural or manufactured gas that is:

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

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

- (e) fire protection, paramedic, and emergency services;
- (f) garbage collection and disposal;
- (g) health care;
- (h) the operation of a library;
- (i) abatement or control of mosquitos and other insects;
- (j) the operation of parks or recreation facilities;
- (k) the operation of a sewage system;
- (l) street lighting;
- (m) the construction and maintenance of curb, gutter, and sidewalk;
- (n) transportation;
- (o) the operation of a system for the control of storm or flood waters;
- (p) the operation of an irrigation water system;

(q) the operation of a culinary water system; ~~[or]~~

(r) the underground installation of an electric utility line or the conversion to underground of an existing electric utility line~~[-]; or~~

(s) extended police protection.

(2) For purposes of this section:

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

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

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

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

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

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

(i) the operation of some or all of the components of a sewage system;

(ii) the operation of some or all of the components of an irrigation water system; and

(iii) the operation of some or all of the components of a culinary water system.

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

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

(i) sewage system;

(ii) irrigation water system; or

(iii) culinary water system.

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

(6) The name of a local district:

(a) may include words descriptive of the type of service provided by the local district; and

(b) may not include the name of a county or municipality.

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

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

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

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

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

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

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

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

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

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

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

(i) is located within the proposed local district;

(ii) covers at least 67% of the total private land area within the proposed local district

as a whole and within each applicable area; and

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

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

(c) ~~[to]~~ a resolution ~~[adopted]~~ under Subsection 17B-2-203(1)(c) ~~[on or after May 5, 2003]~~ that:

(i) (A) proposes the creation of a local district to provide fire protection, paramedic, and emergency services, if the proposed local district includes a majority of the unincorporated area of one or more counties~~[-]; and~~

(B) was adopted on or after May 5, 2003; or

(ii) (A) proposes the creation of a local district to provide extended police protection service, if the proposed local district includes:

(I) a majority of the unincorporated area of a single county; and

(II) no area of any other county, unless that area is entirely within a municipality whose boundaries are included in the local district and a majority of whose land area is located within the county whose unincorporated area is included in the local district; and

(B) was adopted on or after May 2, 2005.

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

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

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

Section 6. Section **17B-2-515.5** is amended to read:

**17B-2-515.5. Automatic annexation to a district providing fire protection, paramedic, and emergency services.**

(1) An area outside the boundaries of a local district that is annexed to a municipality or added to a municipality by a boundary adjustment under Title 10, Chapter 2, Part 4, Annexation, is automatically annexed to the local district if:

(a) the local district provides:

(i) fire protection, paramedic, and emergency services; or

(ii) extended police protection service;

(b) an election for the creation of the local district was not required because of Subsection 17B-2-214(3)(c); and

(c) before the municipal annexation or boundary adjustment, the entire municipality that is annexing the area or adding the area by boundary adjustment was included within the local district.

(2) The effective date of an annexation under this section is governed by Subsection 17B-2-514[~~(2)(b)(iv)~~](3)(b).

Section 7. Section **17B-2-601** is amended to read:

**17B-2-601. Withdrawal of area from local district -- Automatic withdrawal in certain circumstances -- Definitions.**

(1) An area within the boundaries of a local district may be withdrawn from the local district as provided in this part.

(2) (a) An area within the boundaries of a local district is automatically withdrawn from the local district by the annexation of the area to a municipality or the adding of the area to a municipality by boundary adjustment under Title 10, Chapter 2, Part 4, Annexation, if:

(i) the local district provides:

(A) fire protection, paramedic, and emergency services; or

(B) extended police protection service;

(ii) an election for the creation of the local district was not required because of Subsection 17B-2-214(3)(c); and

(iii) before annexation or boundary adjustment, the boundaries of the local district do not include any of the annexing municipality.

(b) The effective date of a withdrawal under this Subsection (2) is governed by



Subsection 17B-2-610(1)(b).

(3) In addition to those definitions in Section 17B-2-101, as used in this part, "receiving entity" means an entity that will, following a withdrawal, provide to the withdrawn area the service previously provided by the local district.

Section 8. Section **17B-2-603.5** is amended to read:

**17B-2-603.5. Withdrawal of municipality in certain districts providing fire protection, paramedic, and emergency services.**

(1) (a) The process to withdraw an area from a local district may be initiated by a resolution adopted by the legislative body of a municipality that is entirely within the boundaries of a local district:

(i) that provides:

(A) fire protection, paramedic, and emergency services; [~~and~~] or

(B) extended police protection service; and

(ii) in the creation of which an election was not required because of Subsection 17B-2-214(3)(c).

(b) Within ten days after adopting a resolution under Subsection (1)(a), the municipal legislative body shall submit to the board of trustees of the local district written notice of the adoption of the resolution, accompanied by a copy of the resolution.

(2) If a resolution is adopted under Subsection (1)(a), the municipal legislative body shall hold an election at the next municipal general election that is more than 60 days after adoption of the resolution on the question of whether the municipality should withdraw from the local district.

(3) If a majority of those voting on the question of withdrawal at an election held under Subsection (2) vote in favor of withdrawal, the municipality shall be withdrawn from the local district.

(4) (a) Within ten days after the canvass of an election at which a withdrawal under this section is submitted to voters, the municipal legislative body shall send written notice to the board of the local district from which the municipality is proposed to withdraw.

(b) Each notice under Subsection (4)(a) shall:

(i) state the results of the withdrawal election; and

(ii) if the withdrawal was approved by voters, be accompanied by a map or legal

description of the area to be withdrawn, adequate for purposes of the county assessor and recorder.

(5) The effective date of a withdrawal under this section is governed by Subsection 17B-2-610(1)(b).

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

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

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

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

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

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

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

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

(iii) the certified tax rate; and

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

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

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

(A) collections from redemptions;

(B) interest; and

(C) penalties.

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

(iv) (A) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission shall make rules determining the calculation of ad valorem property tax revenues budgeted by a taxing entity.

(B) For purposes of Subsection (2)(a)(iv)(A), ad valorem property tax revenues budgeted by a taxing entity shall be calculated in the same manner as budgeted property tax revenues are calculated for purposes of Section 59-2-913.

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

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

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

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

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

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

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

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

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

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

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

(ii) For purposes of Subsection (2)(b)(i), the taxable value of property on the

assessment roll does not include new growth as defined in Subsection (2)(b)(iii).

(iii) "New growth" means:

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

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

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

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

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

(I) the Legislature;

(II) a court;

(III) the commission in an administrative rule; or

(IV) the commission in an administrative order.

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

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

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

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

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

(e) Beginning January 1, 1998, if a municipality has imposed an additional resort communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be

decreased on a one-time basis by the amount necessary to offset the first 12 months of estimated revenue from the additional resort communities sales and use tax imposed under Section 59-12-402.

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

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

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

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

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

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

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

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

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

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

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

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

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

(iii) the commission shall make the adjustment described in Subsection (2)(i)(iii) if, for

the calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were less than the taxing entity's 1999 actual collections.

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

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

(B) the sum of:

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

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

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

(A) the sum of:

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

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

(B) the taxing entity's 1998 actual collections.

(iii) For purposes of Subsection (2)(h)(iii), the commission shall decrease a taxing entity's certified tax rate under this section and a taxing entity's certified revenue levy under Section 59-2-906.1 by the amount of any adjustments the commission made under Subsection (2)(f).

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

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

(B) For fiscal year 2001, the certified tax rate of each county to which Subsection

(2)(k)(i)(A) applies shall be decreased by the amount necessary to reduce revenues in that fiscal year by the amount that the county spent during fiscal year 2000 for advanced life support and paramedic services countywide, excluding amounts spent from a municipal services fund for those services.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) "Annexing county" means a county whose unincorporated area is partially or fully included within a fire district or police district by annexation.

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

(C) "Equalized [~~fire protection~~] tax rate" means the tax rate that results from:

(I) calculating, for each participating county and each participating municipality, the property tax revenue necessary to cover all of the costs associated with providing fire protection, paramedic, and emergency services or extended police protection service, as the case may be:



(Aa) for a participating county, in that part of the unincorporated area of the county that is included within the fire district or police district, as the case may be; and

(Bb) for a participating municipality, in the municipality; and

(II) adding all the amounts calculated under Subsection (2)(n)(i)(C)(I) for all participating counties and all participating municipalities and then dividing that sum by the aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:

(Aa) for participating counties, in that part of the unincorporated area of all participating counties that is included within the fire district or police district, as the case may be; and

(Bb) for participating municipalities, in all the participating municipalities.

(D) "Fire district" means a county service area under Title 17A, Chapter 2, Part 4, County Service Area Act, created to provide fire protection, paramedic, and emergency services and in the creation of which an election was not required under Subsection 17B-2-214(3)(c).

(E) "Fire protection tax rate" means:

(I) for an annexing county, the property tax rate that, when applied to taxable property in that part of the unincorporated area of the county that is included within the fire district, generates enough property tax revenue to cover all the costs associated with providing fire protection, paramedic, and emergency services in ~~[the]~~ that unincorporated area of the county; and

(II) for an annexing municipality, the property tax rate that generates enough property tax revenue in the municipality to cover all the costs associated with providing fire protection, paramedic, and emergency services in the municipality.

(F) "Participating county" means a county whose unincorporated area is partially or fully included within a fire district or police district at the time of the creation of the fire district or police district, respectively.

(G) "Participating municipality" means a municipality whose area is included within a fire district or police district at the time of the creation of the fire district or police district, respectively.

(H) "Police district" means a county service area under Title 17A, Chapter 2, Part 4, County Service Area Act, created to provide extended police protection service and in the

creation of which an election was not required under Subsection 17B-2-214(3)(c).

(I) "Police protection tax rate" means:

(I) for an annexing county, the property tax rate that, when applied to the taxable property in that part of the unincorporated area of the county that is included within the police district, generates enough property tax revenue to cover all the costs associated with providing extended police protection service in that unincorporated area of the county; and

(II) for an annexing municipality, the property tax rate that generates enough property tax revenue in the municipality to cover all the costs associated with providing extended police protection service in the municipality.

(ii) (A) In the first year following creation of a fire district, the certified tax rate of each participating county and each participating municipality shall be decreased by the amount of the equalized [~~fire protection~~] tax rate.

(B) In the first year following creation of a police district, the certified tax rate of each participating county and each participating municipality shall be decreased by the amount of the equalized tax rate.

(iii) (A) In the first year following annexation to a fire district, the certified tax rate of each annexing county and each annexing municipality shall be decreased by the fire protection tax rate.

(B) (I) In the first year following the annexation of some or all of a county's unincorporated area to a police district, the certified tax rate of the annexing county shall be decreased by the amount of the police protection tax rate.

(II) In the first year following a municipality's annexation to a police district, the certified tax rate of the annexing municipality shall be decreased by the amount of the police protection tax rate.

(iv) Each tax levied under this section by a fire district or police district shall be considered to be levied by:

(A) each participating county and each annexing county for purposes of the county's tax limitation under Section 59-2-908; and

(B) each participating municipality and each annexing municipality for purposes of the municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a city.

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

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

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

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

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

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

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

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

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

821 (b) The base taxable value under Subsection 17B-4-102(4) shall be increased in any  
822 year to the extent necessary to provide a redevelopment agency with approximately the same  
823 amount of money as the agency would have received without an increase in the certified tax  
824 rate that year if:

825 (i) in that year the base taxable value under Subsection 17B-4-102(4) is reduced due to  
826 a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i); and

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

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

834 Subsection (2)(c) or (2)(d)(i).

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**Legislative Review Note**  
**as of 11-27-04 2:29 PM**

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

**Office of Legislative Research and General Counsel**