

Senator Mike Dmitrich proposes the following substitute bill:

SPECIAL SERVICE DISTRICTS - SERVICE

EXPANSION

2005 GENERAL SESSION

STATE OF UTAH

Sponsor: Mike Dmitrich

LONG TITLE

General Description:

This bill amends special service district provisions.

Highlighted Provisions:

This bill:

▶ adds certain economic development activities using federal mineral lease funds as one of the services that special service districts are authorized to provide; and

▶ prohibits counties and municipalities from levying a property tax for a special service district that provides economic development service.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

17A-2-1304, as last amended by Chapters 131 and 277, Laws of Utah 2003

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

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



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

27 **17A-2-1304. Establishing special service districts -- Improvement districts within**
28 **special service districts.**

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

32 (i) water;

33 (ii) sewerage;

34 (iii) drainage;

35 (iv) flood control;

36 (v) garbage;

37 (vi) health care;

38 (vii) transportation;

39 (viii) recreation;

40 (ix) fire protection and, if fire protection services are provided, emergency medical or
41 ambulance or both;

42 (x) in a county of the first class, providing, operating, and maintaining jail facilities for
43 the confinement of municipal, state, and other detainees and prisoners;

44 (xi) street lighting;

45 (xii) consolidated 911 and emergency dispatch; ~~and~~

46 (xiii) animal shelter and control[-]; and

47 (xiv) receiving federal mineral lease funds under Title 59, Chapter 21, Mineral Lease
48 Funds, and expending those funds on economic development activities that:

49 (A) promote the creation of jobs; and

50 (B) do not compete with existing retail establishments within the special service
51 district.

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

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

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

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

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

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

69 (iii) a special service district may not include any area not directly benefitted by the
70 services provided under this section without the consent of the nonbenefitted landowner.

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

72 (3) (a) As provided in Section 17A-2-1315, the governing authority of any special
73 service district created under this part may create one or more improvement districts within the
74 boundaries of the special service district by following the procedures in, and meeting the
75 requirements of, Chapter 3, Part 2, County Improvement District Act, or Part 3, Utah
76 Municipal Improvement District Act.

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

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

82 (d) The special service district shall meet all procedural requirements for creating an
83 improvement district at the time the improvement district is created, as provided in Section
84 17A-2-1315 and in Chapter 3, Part 2, County Improvement District Act, or Part 3, Utah
85 Municipal Improvement District Act.

86 (e) In determining whether or not a project or improvement undertaken by an
87 improvement district is within the scope of the purposes for which the special service district

88 creating that improvement district was organized, any project or improvement reasonably
89 related to the purposes for which the special service district creating that improvement district
90 was organized is considered to be within the scope of those purposes.

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

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

96 **17A-2-1322. Tax levy and bonds -- Approval by majority of electors voting in**
97 **election -- Procedure for election.**

98 (1) ~~[The]~~ (a) Except as provided in Subsection (1)(b), the governing authority of a
99 county or municipality which has established a service district may levy a tax on all taxable
100 property within the service district in addition to all other taxes on such property levied or
101 imposed by the county or municipality or by any other public corporation, district, or political
102 subdivision in which the service district is located, and may also issue bonds payable in whole
103 or in part from these taxes. No tax may be levied and no bonds or guaranteed bonds shall be
104 issued, however, unless authorized, except as otherwise provided in Section 17A-2-1325, by a
105 majority of the qualified electors of the service district voting at an election for that purpose
106 held as provided in this section.

107 (b) The governing authority of a county or municipality may not levy a property tax
108 under Subsection (1)(a) if the services provided by the special service district established by the
109 county or municipality include economic development, as provided in Subsection
110 17A-2-1304(1)(a)(xiv).

111 (2) The proposition to levy the tax or to issue the bonds shall be submitted to the
112 qualified electors of the service district at an election called and held and for which notice is
113 given in the same manner as is provided in Title 11, Chapter 14, Utah Municipal Bond Act, for
114 the holding of bond elections. The proposition shall state the purpose or purposes for which
115 the taxes are to be levied or the bonds are to be issued. In addition, a proposition for the
116 issuance of bonds shall state the maximum amount of bonds to be issued, the maximum
117 number of years from their respective dates for which the bonds may run, and, if the bonds are
118 to be payable in whole or in part from taxes, that fact and that taxes may be levied on all

119 taxable property in the service district to pay the principal of and interest on the bonds. The
120 purpose or purposes may be stated in general terms and need not specify the particular projects
121 or services for which the taxes are to be levied or the bonds are to be issued nor the specific
122 amount of the proceeds of the taxes or of the bonds to be expended for each project or service.
123 If bonds are to be payable in part from tax proceeds and in part from the operating revenues of
124 the service district or from any combination of them, the proposition shall so indicate but need
125 not specify how the bonds are to be divided as to source of payment. If the bonds are to be
126 issued as guaranteed bonds, the proposition shall also clearly state that fact together with the
127 name or names of the guarantors. A proposition for the levy of taxes and for the issuance of
128 bonds may be combined as a single proposition.

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

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

Fiscal Note
Bill Number SB0080s01

Special Service Districts - Service Expansion

15-Feb-05

12:02 PM

State Impact

No fiscal impact.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst