

USES OF MONEY IN MUNICIPAL-TYPE**SERVICES FUND**

2005 FIRST SPECIAL SESSION

STATE OF UTAH

Sponsor: Mark W. Walker

LONG TITLE**General Description:**

This bill modifies provisions related to the uses of money in a county's municipal-type services fund with respect to a newly incorporated city.

Highlighted Provisions:

This bill:

- ▶ authorizes counties to share with a new city money from the county's municipal services fund when the money was collected before the city's incorporation to provide services to the previously unincorporated area.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill provides an immediate effective date.

Utah Code Sections Affected:

AMENDS:

10-2-121, as last amended by Chapter 184, Laws of Utah 2000

17-34-3, as last amended by Chapter 275, Laws of Utah 2003

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

Section 1. Section **10-2-121** is amended to read:

10-2-121. Division of municipal-type services revenues -- County may provide



startup funds -- Filing of plat or map -- Notice requirements.

(1) The county in which an area incorporating under this part is located shall, until the date of the city's incorporation under Section 10-2-122, continue:

(a) to levy and collect ad valorem property tax and other revenues from or pertaining to the future city; and

(b) except as otherwise agreed by the county and the officers-elect of the city after the filing of the notice under Subsection 10-2-120(1), to provide the same services to the future city as the county provided before the commencement of the incorporation proceedings.

(2) (a) The legislative body of the county in which a newly incorporated city is located shall share pro rata with the new city, based on the date of incorporation, the taxes and service charges or fees levied and collected by the county under Section 17-34-3 during the year of the new city's incorporation if and to the extent that the new city provides, by itself or by contract, the same services for which the county levied and collected the taxes and service charges or fees.

(b) (i) The legislative body of a county in which a newly incorporated city is located may share with the new city taxes and service charges or fees that were levied and collected by the county under Section 17-34-3:

(A) before the year of the new city's incorporation;

(B) from the previously unincorporated area that, because of the city's incorporation, is located within the boundaries of the newly incorporated city; and

(C) for the purpose of providing services to the area that before the new city's incorporation was unincorporated.

(ii) A county legislative body may share taxes and service charges or fees under Subsection (2)(b)(i) by a direct appropriation of funds or by a credit or offset against amounts due under a contract for municipal-type services provided by the county to the new city.

(3) (a) The legislative body of a county in which an area incorporating under this part is located may appropriate county funds to:

(i) before incorporation but after a notice under Subsection 10-2-120(1) is filed, the officers-elect of the future city to pay startup expenses of the future city; or

(ii) after incorporation, the new city.

(b) Funds appropriated under Subsection (3)(a) may be distributed in the form of a

grant, a loan, or as an advance against future distributions under Subsection (2).

(4) (a) Within 30 days of incorporation, the legislative body of the new city shall record with the recorder of the county in which the new city is located a plat or map, prepared by a licensed surveyor and approved by the legislative body of the new city, the county recorder, and county surveyor, showing the boundaries of the new city.

(b) The legislative body of the new city shall comply with the notice requirements of Section 10-1-116.

Section 2. Section **17-34-3** is amended to read:

17-34-3. Taxes or service charges.

(1) (a) If a county furnishes the municipal-type services and functions described in Section 17-34-1 to areas of the county outside the limits of incorporated cities or towns, the entire cost of the services or functions so furnished shall be defrayed from funds that the county has derived from:

(i) taxes that the county may lawfully levy or impose outside the limits of incorporated towns or cities;

(ii) service charges or fees the county may impose upon the persons benefited in any way by the services or functions; or

(iii) a combination of these sources.

(b) As the taxes or service charges or fees are levied and collected, they shall be placed in a special revenue fund of the county and shall be disbursed only for the rendering of the services or functions established in Section 17-34-1 within the unincorporated areas of the county or as provided in Subsection 10-2-121(2).

(2) For the purpose of levying taxes, service charges, or fees provided in this section, the county legislative body may establish a district or districts in the unincorporated areas of the county.

(3) Nothing contained in this chapter may be construed to authorize counties to impose or levy taxes not otherwise allowed by law.

(4) (a) A county required under Subsection 17-34-1(4) to provide advanced life support and paramedic services to the unincorporated area of the county and that previously paid for those services through a countywide levy may increase its levy under Subsection (1)(a)(i) to generate in the unincorporated area of the county the same amount of revenue as the county

loses from that area due to the required decrease in the countywide certified tax rate under Subsection 59-2-924(2)(k)(i).

(b) An increase in tax rate under Subsection (4)(a) is exempt from the notice and hearing requirements of Sections 59-2-918 and 59-2-919.

(5) Notwithstanding any other provision of this chapter, a county providing fire, paramedic, and police protection services in a designated recreational area, as provided in Subsection 17-34-1(5), may fund those services from the county general fund with revenues derived from both inside and outside the limits of cities and towns, and the funding of those services is not limited to unincorporated area revenues.

Section 3. Effective date.

If approved by two-thirds of all the members elected to each house, this bill takes effect upon approval by the governor, or the day following the constitutional time limit of Utah Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto, the date of veto override.

Legislative Review Note
as of 4-19-05 5:23 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