

1                                   **USE OF MINERAL LEASE FUNDS BY**  
2                                   **SPECIAL SERVICE DISTRICTS**

3                                   2007 GENERAL SESSION

4                                   STATE OF UTAH

5                                   **Chief Sponsor: Mike Dmitrich**

6                                   House Sponsor: John G. Mathis

---

---

8                   **LONG TITLE**

9                   **General Description:**

10                   This bill modifies a provision relating to the services that special service districts may  
11 provide.

12                   **Highlighted Provisions:**

13                   This bill:

14                   ▶ authorizes special service districts to spend mineral lease funds on providing  
15 construction and maintenance of public facilities, traditional government services,  
16 and planning, as a means for mitigating the impacts from extractive mineral  
17 industries; and

18                   ▶ repeals language allowing special service districts to use mineral lease funds on  
19 certain economic development activities.

20                   **Monies Appropriated in this Bill:**

21                   None

22                   **Other Special Clauses:**

23                   None

24                   **Utah Code Sections Affected:**

25                   AMENDS:

26                   **17A-2-1304**, as last amended by Chapter 260, Laws of Utah 2005

---

---

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

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

30           **17A-2-1304. Establishing special service districts -- Improvement districts within**  
31 **special service districts.**

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

- 35           (i) water;
- 36           (ii) sewerage;
- 37           (iii) drainage;
- 38           (iv) flood control;
- 39           (v) garbage;
- 40           (vi) health care;
- 41           (vii) transportation;
- 42           (viii) recreation;
- 43           (ix) fire protection and, if fire protection services are provided, emergency medical or  
44 ambulance or both;
- 45           (x) in a county of the first class, providing, operating, and maintaining jail facilities for  
46 the confinement of municipal, state, and other detainees and prisoners;
- 47           (xi) street lighting;
- 48           (xii) consolidated 911 and emergency dispatch;
- 49           (xiii) animal shelter and control; and
- 50           (xiv) receiving federal mineral lease funds under Title 59, Chapter 21, Mineral Lease  
51 Funds, and expending those funds ~~[on economic development activities that (A) promote the~~  
52 ~~creation of jobs; and (B) do not compete with existing retail establishments within the special~~  
53 ~~service district]~~ to provide construction and maintenance of public facilities, traditional  
54 governmental services, and planning, as a means for mitigating impacts from extractive  
55 mineral industries.

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

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

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

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

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

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

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

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

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

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

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

86 (d) The special service district shall meet all procedural requirements for creating an  
87 improvement district at the time the improvement district is created, as provided in Section  
88 17A-2-1315 and in Chapter 3, Part 2, County Improvement District Act, or Part 3, Utah  
89 Municipal Improvement District Act.

90 (e) In determining whether or not a project or improvement undertaken by an  
91 improvement district is within the scope of the purposes for which the special service district  
92 creating that improvement district was organized, any project or improvement reasonably  
93 related to the purposes for which the special service district creating that improvement district  
94 was organized is considered to be within the scope of those purposes.

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