

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

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Mike Dmitrich

House Sponsor: John G. Mathis

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

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

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

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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.

Legislative Review Note
as of 12-7-06 8:28 AM

Office of Legislative Research and General Counsel

S.B. 94 - Use of Mineral Lease Funds by Special Service Districts

Fiscal Note

2007 General Session
State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments. However there could be a shift in the types of projects receiving funds through Special Service District Mineral Lease allocations.

1/16/2007, 5:48:15 PM, Lead Analyst: Wardrop, T.

Office of the Legislative Fiscal Analyst