

1                                   **LOCAL DISTRICT TAXING AUTHORITY**

2   2009 GENERAL SESSION

3   STATE OF UTAH

4                                   **Chief Sponsor: Curtis S. Bramble**

5                                   House Sponsor: John Dougall

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7 **LONG TITLE**

8 **General Description:**

9           This bill modifies provisions relating to the taxing authority of service areas.

10 **Highlighted Provisions:**

11           This bill:

- 12           ▶ prohibits service areas that do not have elected boards, as defined, from levying and  
13 collecting a property tax, with certain exceptions; and  
14           ▶ provides a method for service areas to change the board of trustees so that all  
15 members are elected.

16 **Monies Appropriated in this Bill:**

17           None

18 **Other Special Clauses:**

19           None

20 **Utah Code Sections Affected:**

21 AMENDS:

22           **17B-2a-905**, as enacted by Laws of Utah 2007, Chapter 329

23 ENACTS:

24           **17B-2a-908**, Utah Code Annotated 1953

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

27           Section 1. Section **17B-2a-905** is amended to read:

28           **17B-2a-905. Service area board of trustees.**

29           (1) (a) Except as provided in Subsection (2):

30 (i) the initial board of trustees of a service area located entirely within the  
31 unincorporated area of a single county may, as stated in the petition or resolution that initiated  
32 the process of creating the service area:

- 33 (A) consist of the county legislative body;
- 34 (B) be appointed, as provided in Section 17B-1-304; or
- 35 (C) be elected, as provided in Section 17B-1-306;

36 (ii) if the board of trustees of a service area consists of the county legislative body, the  
37 board may adopt a resolution providing for future board members to be appointed, as provided  
38 in Section 17B-1-304, or elected, as provided in Section 17B-1-306; and

39 (iii) members of the board of trustees of a service area shall be elected, as provided in  
40 Section 17B-1-306, if:

- 41 (A) the service area is not entirely within the unincorporated area of a single county;
- 42 (B) a petition is filed with the board of trustees requesting that board members be  
43 elected, and the petition is signed by registered voters within the service area equal in number  
44 to at least 10% of the number of registered voters within the service area who voted at the last  
45 gubernatorial election; ~~or~~
- 46 (C) an election is held to authorize the service area's issuance of bonds~~[-];~~ or

47 (D) (I) two-thirds of all members of the board of trustees of the service area vote in  
48 favor of changing to an elected board; and

49 (II) the legislative body of each county and municipality that appoints a member to the  
50 board of trustees adopts a resolution approving the change to an elected board.

51 (b) If members of the board of trustees of a service area are required to be elected  
52 under Subsection (1)(a)(iii)(C) because of a bond election:

- 53 (i) board members shall be elected in conjunction with the bond election;
- 54 (ii) the board of trustees shall:
  - 55 (A) establish a process to enable potential candidates to file a declaration of candidacy
  - 56 sufficiently in advance of the election; and
  - 57 (B) provide a ballot for the election of board members separate from the bond ballot;

58 and

59 (iii) except as provided in this Subsection (1)(b), the election shall be held as provided  
60 in Section 17B-1-306.

61 (c) A change to an elected board of trustees under Subsection (1)(a)(iii)(D) may not  
62 shorten the term of any member of the board of trustees serving at the time of the change.

63 (2) (a) This Subsection (2) applies to a service area created on or after May 5, 2003 if:

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

66 (ii) in the creation of the service area, an election was not required under Subsection  
67 17B-1-214(3)(c).

68 (b) (i) Each county whose unincorporated area is included within a service area  
69 described in Subsection (2)(a), whether in conjunction with the creation of the service area or  
70 by later annexation, shall appoint three members to the board of trustees.

71 (ii) Each municipality whose area is included within a service area described in  
72 Subsection (2)(a), whether in conjunction with the creation of the service area or by later  
73 annexation, shall appoint one member to the board of trustees.

74 (iii) Each member appointed by a county or municipality under Subsection (2)(b)(i) or  
75 (ii) shall be an elected official of the appointing county or municipality, respectively.

76 (c) Notwithstanding Subsection 17B-1-302(2), the number of members of a board of  
77 trustees of a service area described in Subsection (2)(a) shall be the number resulting from  
78 application of Subsection (2)(b).

79 Section 2. Section **17B-2a-908** is enacted to read:

80 **17B-2a-908. Limit on property tax authority -- Exceptions.**

81 (1) As used in this section, "elected board" means a service area board of trustees,  
82 each of whose members:

83 (a) is elected to the board of trustees by service area voters at an election held for that  
84 purpose; or

85 (b) holds, at the time of appointment to the board of trustees, an elected position with:

86 (i) a county, some or all of whose unincorporated area is included within the boundary  
87 of the service area; or

88 (ii) a municipality that is partially or completely included within the boundary of the  
89 service area.

90 (2) (a) Except as provided in Subsection (2)(b), a service area that does not have an  
91 elected board may not levy or collect a property tax during a tax year beginning on or after  
92 January 1, 2010.

93 (b) A service area that does not have an elected board may levy and collect a property  
94 tax during a tax year beginning on or after January 1, 2010:

95 (i) if and to the extent that revenue from the property tax was pledged before May 12,  
96 2009 to pay for bonds or other obligations of the service area; or

97 (ii) if the property tax levy has previously been approved by:

98 (A) service area voters at an election held for that purpose; or

99 (B) the legislative body of:

100 (I) each municipality that is partially or completely included within the boundary of  
101 the service area; and

102 (II) the county in which the service area is located, if the county has some or all of its  
103 unincorporated area included within the boundary of the service area.