

Senator Wayne A. Harper proposes the following substitute bill:

POLITICAL SUBDIVISIONS PROPERTY AMENDMENTS

2013 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: V. Lowry Snow

LONG TITLE

General Description:

This bill enacts language prohibiting a political subdivision or educational entity from disposing of property unless the political subdivision or educational entity receives fair market value for the property.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ prohibits, with certain exceptions, a political subdivision or educational entity from disposing of property unless the political subdivision or educational entity receives fair market value for the property; and
- ▶ makes technical corrections.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

17-50-302, as last amended by Laws of Utah 2010, Chapter 385



- 26 17-50-312, as last amended by Laws of Utah 2007, Chapter 291
- 27 17B-1-103, as last amended by Laws of Utah 2011, Chapters 68 and 272
- 28 17B-1-301, as last amended by Laws of Utah 2011, Chapter 209
- 29 17D-1-103, as enacted by Laws of Utah 2008, Chapter 360

30 ENACTS:

- 31 11-50-101, Utah Code Annotated 1953
- 32 11-50-102, Utah Code Annotated 1953
- 33 11-50-201, Utah Code Annotated 1953

34

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

36 Section 1. Section 11-50-101 is enacted to read:

37 **CHAPTER 50. PROPERTY OF POLITICAL SUBDIVISIONS**

38 **Part 1. General Provisions**

39 **11-50-101. Title.**

40 This chapter is known as "Property of Political Subdivisions."

41 Section 2. Section 11-50-102 is enacted to read:

42 **11-50-102. Definitions.**

43 (1) "Consideration" means something:

44 (a) of value given or done in exchange for something given or done by another,
45 including money, a service, or labor; or

46 (b) provided in the public interest supporting health, safety, and welfare of the citizens
47 of a political subdivision.

48 (2) "Educational entity" means a school district or charter school.

49 (3) "Fair market value" means the consideration at which property would change hands
50 between a willing buyer and a willing seller, neither being under any compulsion to buy or sell
51 and both having reasonable knowledge of the relevant facts.

52 (4) "Political subdivision" means:

53 (a) a county;

54 (b) a municipality;

55 (c) a local district;

56 (d) a special service district; or

57 (e) an entity created by an interlocal agreement adopted in accordance with Title 11,
58 Chapter 13, Interlocal Cooperation Act.

59 (5) "Property" means anything of value, whether real or personal, tangible or
60 intangible, including:

61 (a) an interest in property;

62 (b) a benefit, privilege, right, or other interest with respect to anything of value;

63 (c) proprietary software;

64 (d) a computer program that is developed or purchased by or for a political subdivision
65 or educational entity for its own use; or

66 (e) data collected or compiled by a political subdivision, whether stored electronically
67 or otherwise.

68 (6) "Record" has the same meaning as defined in Section 63G-2-103.

69 Section 3. Section **11-50-201** is enacted to read:

70 **Part 2. Certain Prohibitions on Disposal of Political Subdivision Property**

71 **11-50-201. Consideration for political subdivision property.**

72 (1) A political subdivision or educational entity:

73 (a) shall hold property in trust for the public's interest; and

74 (b) except as provided in Subsection (2), may not sell, alienate, give away, or otherwise
75 dispose of property without receiving fair market value for the property.

76 (2) Subsection (1) does not apply to:

77 (a) property conveyed in accordance with Section 11-13-214;

78 (b) property described in Section 11-13-215;

79 (c) a service or assistance provided by a county in accordance with Section 17-50-303;

80 (d) property that is:

81 (i) subject to Subsection (3), a record requested in accordance with Title 63G, Chapter
82 2, Government Records Access and Management Act; and

83 (ii) is requested for a purpose, including media purposes, other than commercial use;

84 (e) property requested by, conveyed to, or otherwise disposed to the state, another
85 political subdivision, or the federal government;

86 (f) the acquisition or disposal of property in accordance with Section 10-8-2; or

87 (g) any transfer of property specifically authorized by law.

88 (3) (a) If a records request has apparent significant commercial value, the custodian of
89 the property may require the requestor to attest in writing, under penalty of perjury, whether the
90 material is to be used for commercial resale purposes.

91 (b) If the request is for commercial resale purposes, the requestor shall pay fair market
92 value for the property as provided in Subsection (1).

93 Section 4. Section **17-50-302** is amended to read:

94 **17-50-302. General county powers.**

95 (1) (a) Except as provided in Subsection (1)(b), a county may:

96 (i) as prescribed by statute:

97 (A) levy a tax;

98 (B) perform an assessment;

99 (C) collect a tax;

100 (D) borrow money; or

101 (E) levy and collect a special assessment for a conferred benefit; or

102 (ii) provide a service, exercise a power, or perform a function that is reasonably related
103 to the safety, health, morals, and welfare of county inhabitants, except as limited or prohibited
104 by statute.

105 (b) A county or a governmental instrumentality of a county may not perform an action
106 described in Subsection (1)(a)(i) or provide a service, exercise a power, or perform a function
107 described in Subsection (1)(a)(ii) in another county or a municipality within the other county
108 without first entering into an agreement under Title 11, Chapter 13, Interlocal Cooperation Act,
109 or other contract with the other county to perform the action, provide the service, exercise the
110 power, or perform the function.

111 (2) (a) A county may:

112 (i) sue and be sued;

113 (ii) subject to Subsection (2)(c), acquire real property by tax sale, purchase, lease,
114 contract, or gift, and hold the real property as necessary and proper for county purposes;

115 (iii) (A) subject to Subsection (2)(b), acquire real property by condemnation, as
116 provided in Title 78B, Chapter 6, Part 5, Eminent Domain; and

117 (B) hold the real property as necessary and proper for county purposes;

118 (iv) as may be necessary to the exercise of its powers, acquire personal property by

119 purchase, lease, contract, or gift, and hold such personal property; and

120 (v) subject to Title 11, Chapter 50, Part 2, Certain Prohibitions on Disposal of Political
121 Subdivision Property, manage and dispose of its property as the interests of its inhabitants may
122 require.

123 (b) (i) For purposes of Subsection (2)(a)(iii), water rights that are not appurtenant to
124 land do not constitute real property that may be acquired by the county through condemnation.

125 (ii) Nothing in Subsection (2)(a)(iii) may be construed to authorize a county to acquire
126 by condemnation the rights to water unless the land to which those water rights are appurtenant
127 is acquired by condemnation.

128 (c) (i) Except as provided in Subsection (2)(c)(iv), each county intending to acquire
129 real property for the purpose of expanding the county's infrastructure or other facilities used for
130 providing services that the county offers or intends to offer shall provide written notice, as
131 provided in this Subsection (2)(c), of its intent to acquire the property if:

132 (A) the property is located:

133 (I) outside the boundaries of the unincorporated area of the county; and

134 (II) in a county of the first or second class; and

135 (B) the intended use of the property is contrary to:

136 (I) the anticipated use of the property under the general plan of the county in whose
137 unincorporated area or the municipality in whose boundaries the property is located; or

138 (II) the property's current zoning designation.

139 (ii) Each notice under Subsection (2)(c)(i) shall:

140 (A) indicate that the county intends to acquire real property;

141 (B) identify the real property; and

142 (C) be sent to:

143 (I) each county in whose unincorporated area and each municipality in whose
144 boundaries the property is located; and

145 (II) each affected entity.

146 (iii) A notice under this Subsection (2)(c) is a protected record as provided in
147 Subsection 63G-2-305(7).

148 (iv) (A) The notice requirement of Subsection (2)(c)(i) does not apply if the county
149 previously provided notice under Section 17-27a-203 identifying the general location within

150 the municipality or unincorporated part of the county where the property to be acquired is
151 located.

152 (B) If a county is not required to comply with the notice requirement of Subsection
153 (2)(c)(i) because of application of Subsection (2)(c)(iv)(A), the county shall provide the notice
154 specified in Subsection (2)(c)(i) as soon as practicable after its acquisition of the real property.

155 Section 5. Section **17-50-312** is amended to read:

156 **17-50-312. Acquisition, management, and disposal of property.**

157 (1) Subject to Subsection (4) and Title 11, Chapter 50, Part 2, Certain Prohibitions on
158 Disposal of Political Subdivision Property, a county may purchase, receive, hold, sell, lease,
159 convey, or otherwise acquire and dispose of any real or personal property or any interest in
160 such property if the action is in the public interest and complies with other law.

161 (2) Any property interest acquired by the county shall be held in the name of the county
162 unless specifically otherwise provided by law.

163 (3) The county legislative body shall, subject to Title 11, Chapter 50, Part 2, Certain
164 Prohibitions on Disposal of Political Subdivision Property, provide by ordinance, resolution,
165 rule, or regulation for the manner in which property shall be acquired, managed, and disposed
166 of.

167 (4) (a) Before a county may dispose of a significant parcel of real property, the county
168 shall:

169 (i) provide reasonable notice of the proposed disposition at least 14 days before the
170 opportunity for public comment under Subsection (4)(a)(ii); and

171 (ii) allow an opportunity for public comment on the proposed disposition.

172 (b) Each county shall, by ordinance, define what constitutes:

173 (i) a significant parcel of real property for purposes of Subsection (4)(a); and

174 (ii) reasonable notice for purposes of Subsection (4)(a)(i).

175 Section 6. Section **17B-1-103** is amended to read:

176 **17B-1-103. Local district status and powers.**

177 (1) A local district:

178 (a) is:

179 (i) a body corporate and politic with perpetual succession;

180 (ii) a quasi-municipal corporation; and

- 181 (iii) a political subdivision of the state; and
- 182 (b) may sue and be sued.
- 183 (2) A local district may:
- 184 (a) acquire, by any lawful means, or lease any real property, personal property, or a
- 185 groundwater right necessary or convenient to the full exercise of the district's powers;
- 186 (b) acquire, by any lawful means, any interest in real property, personal property, or a
- 187 groundwater right necessary or convenient to the full exercise of the district's powers;
- 188 (c) subject to Title 11, Chapter 50, Part 2, Certain Prohibitions on Disposal of Political
- 189 Subdivision Property, transfer an interest in or dispose of any property or interest described in
- 190 Subsections (2)(a) and (b);
- 191 (d) acquire or construct works, facilities, and improvements necessary or convenient to
- 192 the full exercise of the district's powers, and operate, control, maintain, and use those works,
- 193 facilities, and improvements;
- 194 (e) borrow money and incur indebtedness for any lawful district purpose;
- 195 (f) issue bonds, including refunding bonds:
- 196 (i) for any lawful district purpose; and
- 197 (ii) as provided in and subject to Part 11, Local District Bonds;
- 198 (g) levy and collect property taxes:
- 199 (i) for any lawful district purpose or expenditure, including to cover a deficit resulting
- 200 from tax delinquencies in a preceding year; and
- 201 (ii) as provided in and subject to Part 10, Local District Property Tax Levy;
- 202 (h) as provided in Title 78B, Chapter 6, Part 5, Eminent Domain, acquire by eminent
- 203 domain property necessary to the exercise of the district's powers;
- 204 (i) invest money as provided in Title 51, Chapter 7, State Money Management Act;
- 205 (j) (i) impose fees or other charges for commodities, services, or facilities provided by
- 206 the district, to pay some or all of the district's costs of providing the commodities, services, and
- 207 facilities, including the costs of:
- 208 (A) maintaining and operating the district;
- 209 (B) acquiring, purchasing, constructing, improving, or enlarging district facilities;
- 210 (C) issuing bonds and paying debt service on district bonds; and
- 211 (D) providing a reserve established by the board of trustees; and

212 (ii) take action the board of trustees considers appropriate and adopt regulations to
213 assure the collection of all fees and charges that the district imposes;

214 (k) if applicable, charge and collect a fee to pay for the cost of connecting a customer's
215 property to district facilities in order for the district to provide service to the property;

216 (l) enter into a contract that the local district board of trustees considers necessary,
217 convenient, or desirable to carry out the district's purposes, including a contract:

218 (i) with the United States or any department or agency of the United States;

219 (ii) to indemnify and save harmless; or

220 (iii) to do any act to exercise district powers;

221 (m) purchase supplies, equipment, and materials;

222 (n) encumber district property upon terms and conditions that the board of trustees
223 considers appropriate;

224 (o) exercise other powers and perform other functions that are provided by law;

225 (p) construct and maintain works and establish and maintain facilities, including works
226 or facilities:

227 (i) across or along any public street or highway, subject to Subsection (3) and if the
228 district:

229 (A) promptly restores the street or highway, as much as practicable, to its former state
230 of usefulness; and

231 (B) does not use the street or highway in a manner that completely or unnecessarily
232 impairs the usefulness of it;

233 (ii) in, upon, or over any vacant public lands that are or become the property of the
234 state, including school and institutional trust lands, as defined in Section 53C-1-103, if the
235 director of the School and Institutional Trust Lands Administration, acting under Sections
236 53C-1-102 and 53C-1-303, consents; or

237 (iii) across any stream of water or watercourse, subject to Section 73-3-29;

238 (q) perform any act or exercise any power reasonably necessary for the efficient
239 operation of the local district in carrying out its purposes;

240 (r) (i) except for a local district described in Subsection (2)(r)(ii), designate an
241 assessment area and levy an assessment on land within the assessment area, as provided in
242 Title 11, Chapter 42, Assessment Area Act; or

243 (ii) for a local district created to assess a groundwater right in a critical management
244 area described in Subsection 17B-1-202(1), designate an assessment area and levy an
245 assessment, as provided in Title 11, Chapter 42, Assessment Area Act, on a groundwater right
246 to facilitate a groundwater management plan;

247 (s) contract with another political subdivision of the state to allow the other political
248 subdivision to use the district's surplus water or capacity or have an ownership interest in the
249 district's works or facilities, upon the terms and for the consideration, whether monetary or
250 nonmonetary consideration or no consideration, that the district's board of trustees considers to
251 be in the best interests of the district and the public; and

252 (t) upon the terms and for the consideration, whether monetary or nonmonetary
253 consideration or no consideration, that the district's board of trustees considers to be in the best
254 interests of the district and the public, agree:

255 (i) with:

256 (A) another political subdivision of the state; or

257 (B) a public or private owner of property:

258 (I) on which the district has a right-of-way; or

259 (II) adjacent to which the district owns fee title to property; and

260 (ii) to allow the use of property:

261 (A) owned by the district; or

262 (B) on which the district has a right-of-way.

263 (3) With respect to a local district's use of a street or highway, as provided in
264 Subsection (2)(p)(i):

265 (a) the district shall comply with the reasonable rules and regulations of the
266 governmental entity, whether state, county, or municipal, with jurisdiction over the street or
267 highway, concerning:

268 (i) an excavation and the refilling of an excavation;

269 (ii) the relaying of pavement; and

270 (iii) the protection of the public during a construction period; and

271 (b) the governmental entity, whether state, county, or municipal, with jurisdiction over
272 the street or highway:

273 (i) may not require the district to pay a license or permit fee or file a bond; and

274 (ii) may require the district to pay a reasonable inspection fee.
275 (4) (a) A local district may:
276 (i) acquire, lease, or construct and operate electrical generation, transmission, and
277 distribution facilities, if:
278 (A) the purpose of the facilities is to harness energy that results inherently from the
279 district's:
280 (I) operation of a project or facilities that the district is authorized to operate; or
281 (II) providing a service that the district is authorized to provide;
282 (B) the generation of electricity from the facilities is incidental to the primary
283 operations of the district; and
284 (C) operation of the facilities will not hinder or interfere with the primary operations of
285 the district;
286 (ii) (A) use electricity generated by the facilities; or
287 (B) subject to Subsection (4)(b), sell electricity generated by the facilities to an electric
288 utility or municipality with an existing system for distributing electricity.
289 (b) A district may not act as a retail distributor or seller of electricity.
290 (c) Revenue that a district receives from the sale of electricity from electrical
291 generation facilities it owns or operates under this section may be used for any lawful district
292 purpose, including the payment of bonds issued to pay some or all of the cost of acquiring or
293 constructing the facilities.
294 (5) A local district may adopt and, after adoption, alter a corporate seal.
295 (6) (a) As used in this Subsection (6), "knife" means a cutting instrument that includes
296 a sharpened or pointed blade.
297 (b) The authority to regulate a knife is reserved to the state except where the
298 Legislature specifically delegates responsibility to a local district.
299 (c) Unless specifically authorized by the Legislature by statute, a local district may not
300 adopt or enforce a regulation or rule pertaining to a knife.
301 Section 7. Section **17B-1-301** is amended to read:
302 **17B-1-301. Board of trustees duties and powers.**
303 (1) (a) Each local district shall be governed by a board of trustees which shall manage
304 and conduct the business and affairs of the district and shall determine all questions of district

305 policy.

306 (b) All powers of a local district are exercised through the board of trustees.

307 (2) The board of trustees may:

308 (a) fix the location of the local district's principal place of business and the location of
309 all offices and departments, if any;

310 (b) fix the times of meetings of the board of trustees;

311 (c) select and use an official district seal;

312 (d) subject to Subsections (3) and (4), employ employees and agents, or delegate to
313 district officers power to employ employees and agents, for the operation of the local district
314 and its properties and prescribe or delegate to district officers the power to prescribe the duties,
315 compensation, and terms and conditions of employment of those employees and agents;

316 (e) require district officers and employees charged with the handling of district funds to
317 provide surety bonds in an amount set by the board or provide a blanket surety bond to cover
318 officers and employees;

319 (f) contract for or employ professionals to perform work or services for the local
320 district that cannot satisfactorily be performed by the officers or employees of the district;

321 (g) through counsel, prosecute on behalf of or defend the local district in all court
322 actions or other proceedings in which the district is a party or is otherwise involved;

323 (h) adopt bylaws for the orderly functioning of the board;

324 (i) adopt and enforce rules and regulations for the orderly operation of the local district
325 or for carrying out the district's purposes;

326 (j) prescribe a system of civil service for district employees;

327 (k) on behalf of the local district, enter into contracts that the board considers to be for
328 the benefit of the district;

329 (l) acquire, construct or cause to be constructed, operate, occupy, control, and use
330 buildings, works, or other facilities for carrying out the purposes of the local district;

331 (m) on behalf of the local district, acquire, use, hold, manage, occupy, and possess
332 property necessary to carry out the purposes of the district, subject to Title
333 11, Chapter 50, Part 2, Certain Prohibitions on Disposal of Political Subdivision Property,
334 when the board considers it appropriate, and institute and maintain in the name of the district
335 any action or proceeding to enforce, maintain, protect, or preserve rights or privileges

336 associated with district property;

337 (n) delegate to a district officer the exercise of a district duty; and

338 (o) exercise all powers and perform all functions in the operation of the local district

339 and its properties as are ordinarily exercised by the governing body of a political subdivision of

340 the state and as are necessary to accomplish the purposes of the district.

341 (3) (a) As used in this Subsection (3), "interim vacancy period" means:

342 (i) if any member of the local district board is elected, the period of time that:

343 (A) begins on the day on which a municipal general election described in Section

344 17B-1-306 is held to elect a local district board member; and

345 (B) ends on the day on which the local district board member-elect begins the

346 member's term; or

347 (ii) if any member of the local district board is appointed, the period of time that:

348 (A) begins on the day on which an appointing authority posts a notice of vacancy in

349 accordance with Section 17B-1-304; and

350 (B) ends on the day on which the person who is appointed by the local district board to

351 fill the vacancy begins the person's term.

352 (b) (i) The local district may not hire during an interim vacancy period a manager, a

353 chief executive officer, a chief administrative officer, or a similar position to perform executive

354 and administrative duties or functions.

355 (ii) Notwithstanding Subsection (3)(b)(i):

356 (A) the local district may hire an interim manager, a chief executive officer, a chief

357 administrative officer, or a similar position during an interim vacancy period; and

358 (B) the interim manager's, chief executive officer's, chief administrative officer's, or

359 similar position's employment shall terminate once a new manager, chief executive officer,

360 chief administrative officer, or similar position is hired by the new local district board after the

361 interim vacancy period has ended.

362 (c) Subsection (3)(b) does not apply if:

363 (i) all the elected local district board members who held office on the day of the

364 municipal general election whose term of office was vacant for the election are re-elected to the

365 local district board; and

366 (ii) all the appointed local district board members who were appointed whose term of

367 appointment was expiring are re-appointed to the local district board.

368 (4) A local district board that hires an interim manager, a chief executive officer, a
369 chief administrative officer, or a similar position in accordance with this section may not, on or
370 after May 10, 2011, enter into an employment contract that contains an automatic renewal
371 provision with the interim manager, chief executive officer, chief administrative officer, or
372 similar position.

373 Section 8. Section **17D-1-103** is amended to read:

374 **17D-1-103. Special service district status, powers, and duties -- Limitation on**
375 **districts providing jail service.**

376 (1) A special service district:

377 (a) is a body corporate and politic with perpetual succession, separate and distinct from
378 the county or municipality that creates it;

379 (b) is a quasi-municipal corporation; and

380 (c) may sue and be sued.

381 (2) A special service district may:

382 (a) exercise the power of eminent domain possessed by the county or municipality that
383 creates the special service district;

384 (b) enter into a contract that the governing authority considers desirable to carry out
385 special service district functions, including a contract:

386 (i) with the United States or an agency of the United States, the state, an institution of
387 higher education, a county, a municipality, a school district, a local district, another special
388 service district, or any other political subdivision of the state; or

389 (ii) that includes provisions concerning the use, operation, and maintenance of special
390 service district facilities and the collection of fees or charges with respect to commodities,
391 services, or facilities that the district provides;

392 (c) acquire or construct facilities;

393 (d) acquire real or personal property, or an interest in real or personal property,
394 including water and water rights, whether by purchase, lease, gift, devise, bequest, or
395 otherwise, and whether the property is located inside or outside the special service district, and
396 own, hold, improve, use, finance, or otherwise deal in and with the property or property right;

397 (e) subject to Title 11, Chapter 50, Part 2, Certain Prohibitions on Disposal of Political

398 Subdivision Property, sell, convey, lease, exchange, transfer, or otherwise dispose of all or any
399 part of the special service district's property or assets, including water and water rights;

400 (f) mortgage, pledge, or otherwise encumber all or any part of the special service
401 district's property or assets, including water and water rights;

402 (g) enter into a contract with respect to the use, operation, or maintenance of all or any
403 part of the special service district's property or assets, including water and water rights;

404 (h) accept a government grant or loan and comply with the conditions of the grant or
405 loan;

406 (i) use an officer, employee, property, equipment, office, or facility of the county or
407 municipality that created the special service district, subject to reimbursement as provided in
408 Subsection (3);

409 (j) employ one or more officers, employees, or agents, including one or more
410 engineers, accountants, attorneys, or financial consultants, and establish their compensation;

411 (k) designate an assessment area and levy an assessment as provided in Title 11,
412 Chapter 42, Assessment Area Act;

413 (l) contract with a franchised, certificated public utility for the construction and
414 operation of an electrical service distribution system within the special service district;

415 (m) borrow money and incur indebtedness;

416 (n) as provided in Part 5, Special Service District Bonds, issue bonds for the purpose of
417 acquiring, constructing, and equipping any of the facilities required for the services the special
418 service district is authorized to provide, including:

419 (i) bonds payable in whole or in part from taxes levied on the taxable property in the
420 special service district;

421 (ii) bonds payable from revenues derived from the operation of revenue-producing
422 facilities of the special service district;

423 (iii) bonds payable from both taxes and revenues;

424 (iv) guaranteed bonds, payable in whole or in part from taxes levied on the taxable
425 property in the special service district;

426 (v) tax anticipation notes;

427 (vi) bond anticipation notes;

428 (vii) refunding bonds;

429 (viii) special assessment bonds; and
430 (ix) bonds payable in whole or in part from mineral lease payments as provided in
431 Section 11-14-308;

432 (o) except as provided in Subsection (4), impose fees or charges or both for
433 commodities, services, or facilities that the special service district provides;

434 (p) provide to an area outside the special service district's boundary, whether inside or
435 outside the state, a service that the special service district is authorized to provide within its
436 boundary, if the governing body makes a finding that there is a public benefit to providing the
437 service to the area outside the special service district's boundary;

438 (q) provide other services that the governing body determines will more effectively
439 carry out the purposes of the special service district; and

440 (r) adopt an official seal for the special service district.

441 (3) Each special service district that uses an officer, employee, property, equipment,
442 office, or facility of the county or municipality that created the special service district shall
443 reimburse the county or municipality a reasonable amount for what the special service district
444 uses.

445 (4) (a) A special service district that provides jail service as provided in Subsection
446 17D-1-201(10) may not impose a fee or charge for the service it provides.

447 (b) Subsection (4)(a) may not be construed to limit a special service district that
448 provides jail service from:

449 (i) entering into a contract with the federal government, the state, or a political
450 subdivision of the state to provide jail service for compensation; or

451 (ii) receiving compensation for jail service it provides under a contract described in
452 Subsection (4)(b)(i).