

Representative Brad L. Dee proposes the following substitute bill:

LIMITED PURPOSE LOCAL GOVERNMENT ENTITIES

AMENDMENTS

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brad L. Dee

Senate Sponsor: Jerry W. Stevenson

LONG TITLE

General Description:

This bill amends provisions related to a special service district.

Highlighted Provisions:

This bill:

▶ enacts language clarifying that a special service district is a political subdivision of the state similar to a local district; and

▶ makes technical corrections.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

17D-1-103, as enacted by Laws of Utah 2008, Chapter 360

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

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



26 **17D-1-103. Special service district status, powers, and duties -- Limitation on**
27 **districts providing jail service.**

28 (1) A special service district:

29 (a) is:

30 (i) a body corporate and politic with perpetual succession, separate and distinct from
31 the county or municipality that creates it;

32 ~~[(b) is]~~ (ii) a quasi-municipal corporation; and

33 (iii) a political subdivision of the state; and

34 ~~[(c)]~~ (b) may sue and be sued.

35 (2) A special service district may:

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

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

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

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

46 (c) acquire or construct facilities;

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

51 (e) sell, convey, lease, exchange, transfer, or otherwise dispose of all or any part of the
52 special service district's property or assets, including water and water rights;

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

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

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

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

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

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

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

68 (m) borrow money and incur indebtedness;

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

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

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

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

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

79 (v) tax anticipation notes;

80 (vi) bond anticipation notes;

81 (vii) refunding bonds;

82 (viii) special assessment bonds; and

83 (ix) bonds payable in whole or in part from mineral lease payments as provided in
84 Section [11-14-308](#);

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

87 (p) provide to an area outside the special service district's boundary, whether inside or

88 outside the state, a service that the special service district is authorized to provide within its
89 boundary, if the governing body makes a finding that there is a public benefit to providing the
90 service to the area outside the special service district's boundary;

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

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

94 (3) Each special service district that uses an officer, employee, property, equipment,
95 office, or facility of the county or municipality that created the special service district shall
96 reimburse the county or municipality a reasonable amount for what the special service district
97 uses.

98 (4) (a) A special service district that provides jail service as provided in Subsection
99 [17D-1-201](#)(10) may not impose a fee or charge for the service it provides.

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

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

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