

**Senator Karen Mayne** proposes the following substitute bill:

**POLITICAL SUBDIVISIONS REVISIONS**

2014 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Karen Mayne**

House Sponsor: Eric K. Hutchings

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**LONG TITLE**

**General Description:**

This bill enacts language related to political subdivisions.

**Highlighted Provisions:**

This bill:

- ▶ suspends certain township incorporation and township annexation procedures;
- ▶ requires a county of the first class to study the governance of, delivery of services to, and other issues related to the unincorporated county;
- ▶ amends provisions authorizing a county to provide municipal services;
- ▶ exempts the creation of a municipal services district from election requirements;
- ▶ amends provisions related to the withdrawal of an area from a local district;
- ▶ enacts the "Municipal Services District Act," including the following provisions:
  - definitions;
  - applicability of existing law;
  - additional district powers;
  - creation of a municipal services district;
  - board of trustees membership and powers;
  - exclusion of rural real property;



- 25 • remittance of sales tax by certain municipalities; and
- 26 • providing and sharing of funds;
- 27 ▶ provides repeal dates; and
- 28 ▶ makes technical and conforming amendments.

29 **Money Appropriated in this Bill:**

30 None

31 **Other Special Clauses:**

32 None

33 **Utah Code Sections Affected:**

34 AMENDS:

- 35 **17-34-1**, as last amended by Laws of Utah 2003, Chapter 275
- 36 **17B-1-213**, as last amended by Laws of Utah 2013, Chapter 265
- 37 **17B-1-214**, as last amended by Laws of Utah 2013, Chapters 70 and 265
- 38 **17B-1-215**, as last amended by Laws of Utah 2013, Chapter 265
- 39 **17B-1-502**, as last amended by Laws of Utah 2013, Chapter 141
- 40 **17B-1-512**, as last amended by Laws of Utah 2011, Chapter 297
- 41 **63I-2-210**, as last amended by Laws of Utah 2009, Chapter 205
- 42 **63I-2-217**, as last amended by Laws of Utah 2012, Chapter 17

43 ENACTS:

- 44 **10-2-130**, Utah Code Annotated 1953
- 45 **17-15-30**, Utah Code Annotated 1953
- 46 **17B-2a-1101**, Utah Code Annotated 1953
- 47 **17B-2a-1102**, Utah Code Annotated 1953
- 48 **17B-2a-1103**, Utah Code Annotated 1953
- 49 **17B-2a-1104**, Utah Code Annotated 1953
- 50 **17B-2a-1105**, Utah Code Annotated 1953
- 51 **17B-2a-1106**, Utah Code Annotated 1953
- 52 **17B-2a-1107**, Utah Code Annotated 1953
- 53 **17B-2a-1108**, Utah Code Annotated 1953
- 54 **17B-2a-1109**, Utah Code Annotated 1953

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

57 Section 1. Section **10-2-130** is enacted to read:

58 **10-2-130. Suspension of township incorporation and annexation procedures on or**  
59 **after January 1, 2014.**

60 (1) As used in this section:

61 (a) "Township incorporation procedure" means the following actions, the subject of  
62 which includes an area located in whole or in part in a township:

63 (i) a request for incorporation described in Section [10-2-103](#);

64 (ii) a feasibility study described in Section [10-2-106](#);

65 (iii) a modified request and a supplemental feasibility study described in Section  
66 [10-2-107](#); or

67 (iv) an incorporation petition described in Section [10-2-109](#) that is not certified under  
68 Section [10-2-110](#).

69 (b) "Township annexation procedure" means one or more of the following actions, the  
70 subject of which includes an area located in whole or in part in a township:

71 (i) a petition to annex described in Section [10-2-403](#);

72 (ii) a feasibility study described in Section [10-2-413](#);

73 (iii) a modified annexation petition or supplemental feasibility study described in  
74 Section [10-2-414](#);

75 (iv) a boundary commission decision described in Section [10-2-416](#); or

76 (v) any action described in Section [10-2-418](#) before the adoption of an ordinance to  
77 approve annexation under Subsection [10-2-418](#)(3)(b).

78 (2) (a) Except as provided in Subsection (3):

79 (i) if a request for incorporation described in Section [10-2-130](#) is filed with the clerk of  
80 the county on or after January 1, 2014, a township incorporation procedure that is the subject of  
81 or otherwise relates to that request is suspended until November 15, 2015; and

82 (ii) if a petition to annex described in Section [10-2-403](#) is filed with the city recorder or  
83 town clerk on or after January 1, 2014, a township annexation procedure that is the subject of  
84 or otherwise relates to that petition is suspended until November 15, 2015.

85 (b) (i) If a township incorporation procedure or township annexation procedure is  
86 suspended under Subsection (2)(a), any applicable deadline or timeline is suspended before and

87 on November 15, 2015.

88 (ii) On November 16, 2015, the applicable deadline or timeline described in Subsection

89 (2)(b)(i):

90 (A) may proceed and the period of time during the suspension does not toll against that

91 deadline or timeline; and

92 (B) does not start over.

93 (3) Subsection (2) does not apply to a township annexation procedure that:

94 (a) includes any land area located in whole or in part in a township that is:

95 (i) 50 acres or more; and

96 (ii) primarily owned or controlled by a government entity; or

97 (b) is the subject of or otherwise relates to a petition to annex that is filed in accordance

98 with Subsection 10-2-403(3) before January 1, 2014.

99 Section 2. Section 17-15-30 is enacted to read:

100 **17-15-30. Unincorporated county and services study.**

101 No later than December 1, 2014, a county of the first class shall study the governance  
102 of, delivery of services to and other issues related to the unincorporated county.

103 Section 3. Section 17-34-1 is amended to read:

104 **17-34-1. Counties may provide municipal services -- Limitation -- First class**  
105 **counties to provide certain services -- Counties allowed to provide certain services in**  
106 **recreational areas.**

107 (1) For purposes of this chapter, except as otherwise provided in Subsection (3):

108 (a) "Greater than class C radioactive waste" has the same meaning as in Section

109 [19-3-303](#).

110 (b) "High-level nuclear waste" has the same meaning as in Section [19-3-303](#).

111 (c) "Municipal-type services" means:

112 (i) fire protection service;

113 (ii) waste and garbage collection and disposal;

114 (iii) planning and zoning;

115 (iv) street lighting;

116 (v) animal services;

117 (vi) storm drains;

- 118            (vii) traffic engineering;
- 119            (viii) code enforcement;
- 120            (ix) business licensing;
- 121            (x) building permits and inspections;
- 122            [~~(v)~~] (xi) in a county of the first class:
- 123            (A) advanced life support and paramedic services; and
- 124            (B) detective investigative services; and
- 125            [~~(vi)~~] (xii) all other services and functions that are required by law to be budgeted,
- 126 appropriated, and accounted for from a municipal services fund or a municipal capital projects
- 127 fund as defined under Chapter 36, Uniform Fiscal Procedures Act for Counties.
- 128            (d) "Placement" has the same meaning as in Section [19-3-303](#).
- 129            (e) "Storage facility" has the same meaning as in Section [19-3-303](#).
- 130            (f) "Transfer facility" has the same meaning as in Section [19-3-303](#).
- 131            (2) A county may:
- 132            (a) provide municipal-type services to areas of the county outside the limits of cities
- 133 and towns without providing the same services to cities or towns; and
- 134            (b) fund those services by:
- 135            (i) levying a tax on taxable property in the county outside the limits of cities and towns;
- 136 [~~or~~]
- 137            (ii) charging a service charge or fee to persons benefitting from the municipal-type
- 138 services[~~;~~]; or
- 139            (iii) providing funds to a municipal services district in accordance with Section
- 140 [17B-2a-1109](#).
- 141            (3) A county may not:
- 142            (a) provide, contract to provide, or agree in any manner to provide municipal-type
- 143 services, as these services are defined in Section [19-3-303](#), to any area under consideration for
- 144 a storage facility or transfer facility for the placement of high-level nuclear waste, or greater
- 145 than class C radioactive waste; or
- 146            (b) seek to fund services for these facilities by:
- 147            (i) levying a tax; or
- 148            (ii) charging a service charge or fee to persons benefitting from the municipal-type

149 services.

150 (4) Each county of the first class shall provide to the area of the county outside the  
151 limits of cities and towns:

152 (a) advanced life support and paramedic services; and

153 (b) detective investigative services.

154 (5) (a) A county may provide fire, paramedic, and police protection services in any area  
155 of the county outside the limits of cities and towns that is designated as a recreational area in  
156 accordance with the provisions of this Subsection (5).

157 (b) A county legislative body may designate any area of the county outside the limits of  
158 cities and towns as a recreational area if:

159 (i) the area has fewer than 1,500 residents and is primarily used for recreational  
160 purposes, including canyons, ski resorts, wilderness areas, lakes and reservoirs, campgrounds,  
161 or picnic areas; and

162 (ii) the county legislative body makes a finding that the recreational area is used by  
163 residents of the county who live both inside and outside the limits of cities and towns.

164 (c) Fire, paramedic, and police protection services needed to primarily serve those  
165 involved in the recreation activities in areas designated as recreational areas by the county  
166 legislative body in accordance with Subsection (5)(b) may be funded from the county general  
167 fund.

168 Section 4. Section **17B-1-213** is amended to read:

169 **17B-1-213. Protest after adoption of resolution -- Adoption of resolution**  
170 **approving creation for certain districts.**

171 (1) For purposes of this section, "adequate protests" means protests that are:

172 (a) filed with the county clerk, municipal clerk or recorder, or local district secretary or  
173 clerk, as the case may be, within 60 days after the last public hearing required under Section  
174 **17B-1-210**; and

175 (b) signed by:

176 (i) the owners of private real property that:

177 (A) is located within the proposed local district;

178 (B) covers at least 25% of the total private land area within the applicable area; and

179 (C) is equal in value to at least 15% of the value of all private real property within the

180 applicable area; or

181 (ii) registered voters residing within the applicable area equal in number to at least 25%  
182 of the number of votes cast in the applicable area for the office of president of the United States  
183 at the most recent election prior to the adoption of the resolution.

184 (2) An owner may withdraw a protest at any time before the expiration of the 60-day  
185 period described in Subsection (1)(a).

186 (3) If adequate protests are filed, the governing body that adopted a resolution under  
187 Subsection 17B-1-203(1)(d) or (e):

188 (a) may not:

189 (i) hold or participate in an election under Subsection 17B-1-214(1) with respect to the  
190 applicable area;

191 (ii) take any further action under the protested resolution to create a local district or  
192 include the applicable area in a local district; or

193 (iii) for a period of two years, adopt a resolution under Subsection 17B-1-203(1)(d) or  
194 (e) proposing the creation of a local district including substantially the same area as the  
195 applicable area and providing the same service as the proposed local district in the protested  
196 resolution; and

197 (b) shall, within five days after receiving adequate protests, mail or deliver written  
198 notification of the adequate protests to the responsible body.

199 (4) Subsection (3)(a) may not be construed to prevent an election from being held for a  
200 proposed local district whose boundaries do not include an applicable area that is the subject of  
201 adequate protests.

202 (5) (a) If adequate protests are not filed with respect to a resolution proposing the  
203 creation of a local district for which an election is not required under Subsection  
204 17B-1-214(3)(d), (e), ~~(f)~~ (f), or (g) a resolution approving the creation of the local district may  
205 be adopted by:

206 (i) (A) the legislative body of a county whose unincorporated area is included within  
207 the proposed local district; and

208 (B) the legislative body of a municipality whose area is included within the proposed  
209 local district; or

210 (ii) the board of trustees of the initiating local district.

- 211 (b) Each resolution adopted under Subsection (5)(a) shall:
- 212 (i) describe the area included in the local district;
- 213 (ii) be accompanied by a map that shows the boundaries of the local district;
- 214 (iii) describe the service to be provided by the local district;
- 215 (iv) state the name of the local district; and
- 216 (v) provide a process for the appointment of the members of the initial board of
- 217 trustees.

218 Section 5. Section **17B-1-214** is amended to read:

219 **17B-1-214. Election -- Exceptions.**

220 (1) (a) Except as provided in Subsection (3) and in Subsection **17B-1-213(3)(a)**, an

221 election on the question of whether the local district should be created shall be held by:

- 222 (i) if the proposed local district is located entirely within a single county, the
- 223 responsible clerk; or
- 224 (ii) except as provided under Subsection (1)(b), if the proposed local district is located
- 225 within more than one county, the clerk of each county in which part of the proposed local
- 226 district is located, in cooperation with the responsible clerk.

227 (b) Notwithstanding Subsection (1)(a)(ii), if the proposed local district is located

228 within more than one county and the only area of a county that is included within the proposed

229 local district is located within a single municipality, the election for that area shall be held by

230 the municipal clerk or recorder, in cooperation with the responsible clerk.

231 (2) Each election under Subsection (1) shall be held at the next special or regular

232 general election date that is:

- 233 (a) for an election pursuant to a property owner or registered voter petition, more than
- 234 45 days after certification of the petition under Subsection **17B-1-209(3)(a)**; or
- 235 (b) for an election pursuant to a resolution, more than 60 days after the latest hearing
- 236 required under Section **17B-1-210**.

237 (3) The election requirement of Subsection (1) does not apply to:

- 238 (a) a petition filed under Subsection **17B-1-203(1)(a)** if it contains the signatures of the
- 239 owners of private real property that:
- 240 (i) is located within the proposed local district;
- 241 (ii) covers at least 67% of the total private land area within the proposed local district



242 as a whole and within each applicable area; and

243 (iii) is equal in value to at least 50% of the value of all private real property within the  
244 proposed local district as a whole and within each applicable area;

245 (b) a petition filed under Subsection 17B-1-203(1)(b) if it contains the signatures of  
246 registered voters residing within the proposed local district as a whole and within each  
247 applicable area, equal in number to at least 67% of the number of votes cast in the proposed  
248 local district as a whole and in each applicable area, respectively, for the office of governor at  
249 the last general election prior to the filing of the petition;

250 (c) a groundwater right owner petition filed under Subsection 17B-1-203(1)(c) if the  
251 petition contains the signatures of the owners of groundwater rights that:

252 (i) are diverted within the proposed local district; and

253 (ii) cover at least 67% of the total amount of groundwater diverted in accordance with  
254 groundwater rights within the proposed local district as a whole and within each applicable  
255 area;

256 (d) a resolution adopted under Subsection 17B-1-203(1)(d) on or after May 5, 2003,  
257 that proposes the creation of a local district to provide fire protection, paramedic, and  
258 emergency services or law enforcement service, if the proposed local district includes the  
259 unincorporated area, whether in whole or in part, of one or more counties;

260 (e) a resolution adopted under Subsection 17B-1-203(1)(d) or (e) if the resolution  
261 proposes the creation of a local district that has no registered voters within its boundaries; ~~or~~

262 (f) a resolution adopted under Subsection 17B-1-203(1)(d) on or after May 11, 2010,  
263 that proposes the creation of a local district described in Subsection 17B-1-202(1)(a)(xiii)[-]; or

264 (g) a resolution adopted under Section 17B-2a-1105 to create a municipal services  
265 district.

266 (4) (a) If the proposed local district is located in more than one county, the responsible  
267 clerk shall coordinate with the clerk of each other county and the clerk or recorder of each  
268 municipality involved in an election under Subsection (1) so that the election is held on the  
269 same date and in a consistent manner in each jurisdiction.

270 (b) The clerk of each county and the clerk or recorder of each municipality involved in  
271 an election under Subsection (1) shall cooperate with the responsible clerk in holding the  
272 election.

273 (c) Except as otherwise provided in this part, each election under Subsection (1) shall  
274 be governed by Title 20A, Election Code.

275 Section 6. Section 17B-1-215 is amended to read:

276 **17B-1-215. Notice and plat to lieutenant governor -- Recording requirements --**  
277 **Certificate of incorporation -- Local district incorporated as specialized local district or**  
278 **basic local district -- Effective date.**

279 (1) (a) Within the time specified in Subsection (1)(b), the responsible body shall file  
280 with the lieutenant governor:

281 (i) a copy of a notice of an impending boundary action, as defined in Section 67-1a-6.5,  
282 that meets the requirements of Subsection 67-1a-6.5(3); and

283 (ii) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5.

284 (b) The responsible body shall file the documents listed in Subsection (1)(a) with the  
285 lieutenant governor within 10 days after:

286 (i) the canvass of an election under Section 17B-1-214, if a majority of those voting at  
287 the election within the proposed local district as a whole vote in favor of the creation of a local  
288 district;

289 (ii) certification of a petition as to which the election requirement of Subsection  
290 17B-1-214(1) does not apply because of Subsection 17B-1-214(3)(a), (b), or (c); or

291 (iii) adoption of a resolution, under Subsection 17B-1-213(5) approving the creation of  
292 a local district for which an election was not required under Subsection 17B-1-214(3)(d), (e),  
293 [~~or~~] (f), or (g) by the legislative body of each county whose unincorporated area is included  
294 within and the legislative body of each municipality whose area is included within the proposed  
295 local district, or by the board of trustees of the initiating local district.

296 (2) Upon the lieutenant governor's issuance of a certificate of incorporation under  
297 Section 67-1a-6.5, the responsible body shall:

298 (a) if the local district is located within the boundary of a single county, submit to the  
299 recorder of that county:

300 (i) the original:

301 (A) notice of an impending boundary action;

302 (B) certificate of incorporation; and

303 (C) approved final local entity plat; and

304 (ii) if applicable, a certified copy of each resolution adopted under Subsection  
305 17B-1-213(5); or  
306 (b) if the local district is located within the boundaries of more than a single county:  
307 (i) submit to the recorder of one of those counties:  
308 (A) the original of the documents listed in Subsections (2)(a)(i)(A), (B), and (C); and  
309 (B) if applicable, a certified copy of each resolution adopted under Subsection  
310 17B-1-213(5); and  
311 (ii) submit to the recorder of each other county:  
312 (A) a certified copy of the documents listed in Subsection (2)(a)(i)(A), (B), and (C);  
313 and  
314 (B) if applicable, a certified copy of each resolution adopted under Subsection  
315 17B-1-213(5).  
316 (3) The area of each local district consists of:  
317 (a) if an election was held under Section 17B-1-214, the area of the new local district  
318 as approved at the election;  
319 (b) if an election was not required because of Subsection 17B-1-214(3)(a), (b), or (c),  
320 the area of the proposed local district as described in the petition; or  
321 (c) if an election was not required because of Subsection 17B-1-214(3)(d), (e), [~~or~~] (f),  
322 or (g) the area of the new local district as described in the resolution adopted under Subsection  
323 17B-1-213(5).  
324 (4) (a) Upon the lieutenant governor's issuance of the certificate of incorporation under  
325 Section 67-1a-6.5, the local district is created and incorporated as:  
326 (i) the type of specialized local district that was specified in the petition under  
327 Subsection 17B-1-203(1)(a), (b), or (c) or resolution under Subsection 17B-1-203(1)(d) or (e),  
328 if the petition or resolution proposed the creation of a specialized local district; or  
329 (ii) a basic local district, if the petition or resolution did not propose the creation of a  
330 specialized local district.  
331 (b) (i) The effective date of a local district's incorporation for purposes of assessing  
332 property within the local district is governed by Section 59-2-305.5.  
333 (ii) Until the documents listed in Subsection (2) are recorded in the office of the  
334 recorder of each county in which the property is located, a newly incorporated local district

335 may not:

- 336 (A) levy or collect a property tax on property within the local district;
- 337 (B) levy or collect an assessment on property within the local district; or
- 338 (C) charge or collect a fee for service provided to property within the local district.

339 Section 7. Section **17B-1-502** is amended to read:

340 **17B-1-502. Withdrawal of area from local district -- Automatic withdrawal in**  
341 **certain circumstances.**

342 (1) (a) An area within the boundaries of a local district may be withdrawn from the  
343 local district only as provided in this part.

344 (b) Except as provided in Subsections (2) and (3), the inclusion of an area of a local  
345 district within a municipality because of a municipal incorporation under Title 10, Chapter 2,  
346 Part 1, Incorporation, or a municipal annexation or boundary adjustment under Title 10,  
347 Chapter 2, Part 4, Annexation, does not affect the requirements under this part for the process  
348 of withdrawing that area from the local district.

349 (2) (a) An area within the boundaries of a local district is automatically withdrawn  
350 from the local district by the annexation of the area to a municipality or the adding of the area  
351 to a municipality by boundary adjustment under Title 10, Chapter 2, Part 4, Annexation, if:

352 (i) the local district provides:

- 353 (A) fire protection, paramedic, and emergency services; or
- 354 (B) law enforcement service;

355 (ii) an election for the creation of the local district was not required because of  
356 Subsection [17B-1-214\(3\)\(d\)](#); and

357 (iii) before annexation or boundary adjustment, the boundaries of the local district do  
358 not include any of the annexing municipality.

359 (b) The effective date of a withdrawal under this Subsection (2) is governed by  
360 Subsection [17B-1-512\(2\)\(b\)](#).

361 (3) (a) ~~Am~~ Except as provided in Subsection (3)(c), an area within the boundaries of a  
362 local district located in a county of the first class is automatically withdrawn from the local  
363 district by the incorporation of a municipality whose boundaries include the area if:

364 (i) the local district provides:

- 365 (A) fire protection, paramedic, and emergency services; ~~or~~

366 (B) law enforcement service; or  
 367 (C) municipal services, as defined in Section [17B-2a-1102](#);  
 368 (ii) an election for the creation of the local district was not required because of  
 369 Subsection [17B-1-214\(3\)\(d\)](#); and  
 370 (iii) the legislative body of the newly incorporated municipality:  
 371 (A) adopts a resolution no later than 180 days after the effective date of incorporation  
 372 approving the withdrawal that includes the legal description of the area to be withdrawn; and  
 373 (B) delivers a copy of the resolution to the board of trustees of the local district.  
 374 (b) The effective date of a withdrawal under this Subsection (3) is governed by  
 375 Subsection [17B-1-512\(2\)\(a\)](#).

376 (c) Section [17B-1-505](#) shall govern the withdrawal of an incorporated area within a  
 377 county of the first class if:

378 (i) the local district from which the area is withdrawn provides:

379 (A) fire protection, paramedic, and emergency services; or

380 (B) law enforcement services; and

381 (ii) an election for the creation of the local district was not required under Subsection  
 382 [17B-1-214\(3\)\(d\)](#).

383 Section 8. Section **17B-1-512** is amended to read:

384 **17B-1-512. Filing of notice and plat -- Recording requirements -- Contest period**  
 385 **-- Judicial review.**

386 (1) (a) Within the time specified in Subsection (1)(b), the board of trustees shall file  
 387 with the lieutenant governor:

388 (i) a copy of a notice of an impending boundary action, as defined in Section [67-1a-6.5](#),  
 389 that meets the requirements of Subsection [67-1a-6.5\(3\)](#); and

390 (ii) a copy of an approved final local entity plat, as defined in Section [67-1a-6.5](#).

391 (b) The board of trustees shall file the documents listed in Subsection (1)(a):

392 (i) within 10 days after adopting a resolution approving a withdrawal under Section  
 393 [17B-1-510](#); and

394 (ii) as soon as practicable after receiving a notice under Subsection [10-2-425\(2\)](#) of an  
 395 automatic withdrawal under Subsection [17B-1-502\(2\)](#), after receiving a copy of the municipal  
 396 legislative body's resolution approving an automatic withdrawal under Subsection

397 17B-1-502(3)(a), or after receiving notice of a withdrawal of a municipality from a local  
398 district under Section 17B-2-505.

399 (c) Upon the lieutenant governor's issuance of a certificate of withdrawal under Section  
400 67-1a-6.5, the board shall:

401 (i) if the withdrawn area is located within the boundary of a single county, submit to  
402 the recorder of that county:

403 (A) the original:

404 (I) notice of an impending boundary action;

405 (II) certificate of withdrawal; and

406 (III) approved final local entity plat; and

407 (B) if applicable, a certified copy of the resolution or notice referred to in Subsection  
408 (1)(b); or

409 (ii) if the withdrawn area is located within the boundaries of more than a single county,  
410 submit:

411 (A) the original of the documents listed in Subsections (1)(c)(i)(A)(I), (II), and (III)  
412 and, if applicable, a certified copy of the resolution or notice referred to in Subsection (1)(b) to  
413 one of those counties; and

414 (B) a certified copy of the documents listed in Subsections (1)(c)(i)(A)(I), (II), and (III)  
415 and a certified copy of the resolution or notice referred to in Subsection (1)(b) to each other  
416 county.

417 (2) (a) Upon the lieutenant governor's issuance of the certificate of withdrawal under  
418 Section 67-1a-6.5 for a withdrawal under Section 17B-1-510, for an automatic withdrawal  
419 under Subsection 17B-1-502(3), or for the withdrawal of a municipality from a local district  
420 under Section 17B-1-505, the withdrawal shall be effective, subject to the conditions of the  
421 withdrawal resolution, if applicable.

422 (b) An automatic withdrawal under Subsection 17B-1-502(3) or Section 17B-2a-1108  
423 shall be effective upon the lieutenant governor's issuance of a certificate of withdrawal under  
424 Section 67-1a-6.5.

425 (3) (a) The local district may provide for the publication of any resolution approving or  
426 denying the withdrawal of an area:

427 (i) in a newspaper of general circulation in the area proposed for withdrawal; and

428 (ii) as required in Section 45-1-101.

429 (b) In lieu of publishing the entire resolution, the local district may publish a notice of  
430 withdrawal or denial of withdrawal, containing:

431 (i) the name of the local district;

432 (ii) a description of the area proposed for withdrawal;

433 (iii) a brief explanation of the grounds on which the board of trustees determined to  
434 approve or deny the withdrawal; and

435 (iv) the times and place where a copy of the resolution may be examined, which shall  
436 be at the place of business of the local district, identified in the notice, during regular business  
437 hours of the local district as described in the notice and for a period of at least 30 days after the  
438 publication of the notice.

439 (4) Any sponsor of the petition or receiving entity may contest the board's decision to  
440 deny a withdrawal of an area from the local district by submitting a request, within 60 days  
441 after the resolution is adopted under Section 17B-1-510, to the board of trustees, suggesting  
442 terms or conditions to mitigate or eliminate the conditions upon which the board of trustees  
443 based its decision to deny the withdrawal.

444 (5) Within 60 days after the request under Subsection (4) is submitted to the board of  
445 trustees, the board may consider the suggestions for mitigation and adopt a resolution  
446 approving or denying the request in the same manner as provided in Section 17B-1-510 with  
447 respect to the original resolution denying the withdrawal and file a notice of the action as  
448 provided in Subsection (1).

449 (6) (a) Any person in interest may seek judicial review of:

450 (i) the board of trustees' decision to withdraw an area from the local district;

451 (ii) the terms and conditions of a withdrawal; or

452 (iii) the board's decision to deny a withdrawal.

453 (b) Judicial review under this Subsection (6) shall be initiated by filing an action in the  
454 district court in the county in which a majority of the area proposed to be withdrawn is located:

455 (i) if the resolution approving or denying the withdrawal is published under Subsection  
456 (3), within 60 days after the publication or after the board of trustees' denial of the request  
457 under Subsection (5);

458 (ii) if the resolution is not published pursuant to Subsection (3), within 60 days after

459 the resolution approving or denying the withdrawal is adopted; or

460 (iii) if a request is submitted to the board of trustees of a local district under Subsection  
461 (4), and the board adopts a resolution under Subsection (5), within 60 days after the board  
462 adopts a resolution under Subsection (5) unless the resolution is published under Subsection  
463 (3), in which event the action shall be filed within 60 days after the publication.

464 (c) A court in which an action is filed under this Subsection (6) may not overturn, in  
465 whole or in part, the board of trustees' decision to approve or reject the withdrawal unless:

466 (i) the court finds the board of trustees' decision to be arbitrary or capricious; or

467 (ii) the court finds that the board materially failed to follow the procedures set forth in  
468 this part.

469 (d) A court may award costs and expenses of an action under this section, including  
470 reasonable attorney fees, to the prevailing party.

471 (7) After the applicable contest period under Subsection (4) or (6), no person may  
472 contest the board of trustees' approval or denial of withdrawal for any cause.

473 Section 9. Section **17B-2a-1101** is enacted to read:

474 **Part 11. Municipal Services District Act**

475 **17B-2a-1101. Title.**

476 This part is known as the "Municipal Services District Act."

477 Section 10. Section **17B-2a-1102** is enacted to read:

478 **17B-2a-1102. Definitions.**

479 As used in this part, "municipal services" means:

480 (1) one or more of the services identified in Section [17-34-1](#) or [17-36-3](#); and

481 (2) any other municipal-type service provided in the district that is in the interest of the  
482 district.

483 Section 11. Section **17B-2a-1103** is enacted to read:

484 **17B-2a-1103. Limited to counties of the first class -- Provisions applicable to**  
485 **municipal services districts.**

486 (1) (a) A municipal services district may be created only in unincorporated areas in a  
487 county of the first class.

488 (b) Notwithstanding Subsection (1)(a) and subject to Subsection (1)(c), after the initial  
489 creation of a municipal services district, an area may be annexed into the municipal services



490 district in accordance with Chapter 1, Part 4, Annexation, whether that area is unincorporated  
491 or incorporated.

492 (c) An area annexed under Subsection (1)(b) may not be located outside of the  
493 originating county of the first class.

494 (2) Each municipal services district is governed by the powers stated in:

495 (a) this part; and

496 (b) Chapter 1, Provisions Applicable to All Local Districts.

497 (3) This part applies only to a municipal services district.

498 (4) A municipal services district is not subject to the provisions of any other part of this  
499 chapter.

500 (5) If there is a conflict between a provision in Chapter 1, Provisions Applicable to All  
501 Local Districts, and a provision in this part, the provisions in this part governs.

502 Section 12. Section **17B-2a-1104** is enacted to read:

503 **17B-2a-1104. Additional municipal services district powers.**

504 In addition to the powers conferred on a municipal services district under Section  
505 17B-1-103, a municipal services district may:

506 (1) notwithstanding Subsection 17B-1-202(3), provide one or multiple municipal  
507 services; and

508 (2) issue bonds as provided in and subject to Chapter 1, Part 11, Local District Bonds,  
509 to carry out the purposes of the district.

510 Section 13. Section **17B-2a-1105** is enacted to read:

511 **17B-2a-1105. Creation of municipal services district.**

512 (1) Notwithstanding any other provision of law, the process to create a municipal  
513 services district is initiated by a resolution proposing the creation of the municipal services  
514 district, adopted by the legislative body of the county whose unincorporated area includes any  
515 of the proposed municipal services district.

516 (2) The resolution described in Subsection (1) shall comply, as applicable, with the  
517 provisions of Subsection 17B-1-203(2)(a).

518 (3) The legislative body shall comply with the requirements of Sections 17B-1-210,  
519 211, and 212.

520 Section 14. Section **17B-2a-1106** is enacted to read:

521 17B-2a-1106. Municipal services district board of trustees -- Governance.

522 (1) Except as provided in Subsection (2), and notwithstanding any other provision of  
523 law regarding the membership of a local district board of trustees, the initial board of trustees  
524 of a municipal services district shall consist of the county legislative body.

525 (2) (a) Notwithstanding any provision of law regarding the membership of a local  
526 district board of trustees or the governance of a local district, if a municipal services district is  
527 created in a county of the first class with the county executive-council form of government, the  
528 initial governance of the municipal services district is as follows:

529 (i) subject to Subsection (2)(b), the county council is the municipal services district  
530 board of trustees; and

531 (ii) subject to Subsection (2)(c), the county executive is the executive of the municipal  
532 services district.

533 (b) Notwithstanding any other provision of law, the board of trustees of a municipal  
534 services district described in Subsection (2)(a) shall:

535 (i) act as the legislative body of the district; and

536 (ii) exercise legislative branch powers and responsibilities established for county  
537 legislative bodies in:

538 (A) Title 17, Counties; and

539 (B) an optional plan, as defined in Section [17-52-101](#), adopted for a county  
540 executive-council form of county government as described in Section [17-52-504](#).

541 (c) Notwithstanding any other provision of law, in a municipal services district  
542 described in Subsection (2)(a), the executive of the district shall:

543 (i) act as the executive of the district; and

544 (ii) exercise executive branch powers and responsibilities established for a county  
545 executive in:

546 (A) Title 17, Counties; and

547 (B) an optional plan, as defined in Section [17-52-101](#), adopted for a county  
548 executive-council form of county government as described in Section [17-52-504](#).

549 (3) If, after the initial creation of a municipal services district, an area within the  
550 district is incorporated as a municipality and the area is not withdrawn from the district in  
551 accordance with Section [17B-1-502](#), or an area within a municipality is annexed into the

552 municipal services district in accordance with Section 17B-2a-1103:

553 (a) the district's board of trustees shall include a member of that municipality's  
554 governing body; and

555 (b) the member described in Subsection (3)(a) shall be:

556 (i) designated by the municipality; and

557 (ii) a member with powers and duties of other board of trustee members as described in  
558 Subsection (2)(b).

559 (4) The board may adopt a resolution providing for future board members to be  
560 appointed, as provided in Section 17B-1-304, or elected, as provided in Section 17B-1-306.

561 (5) (a) Notwithstanding Subsections 17B-1-309(1) or Subsection 17B-1-310(1), the  
562 board of trustees may adopt a resolution to determine the internal governance of the board.

563 (b) A resolution adopted under Subsection (5)(a) may not alter or impair the board of  
564 trustees' duties, powers, or responsibilities described in Subsection (2)(b) or the executive's  
565 duties, powers, or responsibilities described in Subsection (2)(c).

566 Section 15. Section 17B-2a-1107 is enacted to read:

567 **17B-2a-1107. Exclusion of rural real property.**

568 (1) As used in this section, "rural real property" means an area:

569 (a) zoned primarily for manufacturing, commercial, or agricultural purposes; and

570 (b) that does not include residential units with a density greater than one unit per acre.

571 (2) Unless an owner gives written consent, rural real property may not be included in a  
572 municipal services district if the rural real property:

573 (a) consists of 1,500 or more contiguous acres of rural real property consisting of one  
574 or more tax parcels;

575 (b) is not contiguous to but is used in connection with rural real property that consists  
576 of 1,500 acres or more contiguous acres of real property consisting of one or more tax parcels;

577 (c) is owned, managed, or controlled by a person, company, or association, including a  
578 parent, subsidiary, or affiliate related to the owner of 1,500 or more contiguous acres of rural  
579 real property consisting of one or more tax parcels; or

580 (d) is located in whole or part in one of the following as defined in Section 17-41-101:

581 (i) an agricultural protection area;

582 (ii) a mining protection area; or

583 (iii) an industrial protection area.

584 Section 16. Section **17B-2a-1108** is enacted to read:

585 **17B-2a-1108. Municipality required to remit local option sales and use tax.**

586 (1) If, after incorporation, a municipal legislative body of a municipality located in  
587 whole or in part within a municipal services district does not adopt and deliver a resolution to  
588 withdraw in accordance with Subsection [17B-1-502\(3\)\(a\)\(iii\)](#), the municipality shall remit to  
589 the municipal services district an amount equal to the amount the municipality receives under  
590 Title 59, Chapter 12, Part 2, Local Sales and Use Tax Act.

591 (2) For purposes of Subsection (1), the amount a municipality is required to remit to a  
592 municipal services district is an amount:

593 (a) determined after subtracting amounts required under Title 59, Chapter 12, Part 2,  
594 Local Sales and Use Tax Act, to be deducted from the amount a municipality would otherwise  
595 receive under Title 59, Chapter 12, Part 2, Local Sales and Use Tax Act; and

596 (b) representative of only the those taxes collected in the area of the municipality that is  
597 also located within the municipal services district.

598 Section 17. Section **17B-2a-1109** is enacted to read:

599 **17B-2a-1109. Counties and municipalities authorized to provide funds to a**  
600 **municipal services district.**

601 A county, or, subject to Section [17B-2a-1108](#), a municipality involved in the  
602 establishment and operation of a municipal services district may fund the operation and  
603 maintenance of the district through the sharing of sales tax revenue for district purposes.

604 Section 18. Section **63I-2-210** is amended to read:

605 **63I-2-210. Repeal dates -- Title 10.**

606 (1) Section [10-2-130](#) is repealed July 1, 2016.

607 (2) Subsection [10-9a-305\(2\)](#) is repealed July 1, 2013.

608 Section 19. Section **63I-2-217** is amended to read:

609 **63I-2-217. Repeal dates -- Title 17.**

610 (1) Subsection [17-8-7\(2\)](#), the language that states "Sections [17-19-1](#) to [17-19-28](#) and"  
611 and ", as applicable," is repealed January 1, 2015.

612 (2) Section [17-15-30](#) is repealed July 1, 2015.

613 [~~2~~] (3) Title 17, Chapter 19, County Auditor, is repealed January 1, 2015.

614           ~~[(3)]~~ (4) Subsection [17-24-1\(4\)\(b\)](#), the language that states ", as applicable, Sections  
615 [17-19-1](#), [17-19-3](#), and [17-19-5](#) or" is repealed January 1, 2015.

616           ~~[(4)]~~ (5) Subsection [17-24-4\(2\)](#), the language that states ", as applicable, Subsection  
617 [17-19-3\(3\)\(b\)](#) or" is repealed January 1, 2015.

618           ~~[(5)]~~ (6) Subsection [17-27a-305\(2\)](#) is repealed July 1, 2013.

619           ~~[(6)]~~ (7) (a) Subsection [17-36-3\(5\)\(a\)](#), the language that states "for a county of the  
620 second, third, fourth, fifth, or sixth class, the county auditor, county clerk, or county executive  
621 as provided in Subsection [17-19-19\(1\)](#); or" is repealed January 1, 2015.

622           (b) Subsection [17-36-3\(5\)\(b\)](#), the language that states "for a county of the first class," is  
623 repealed January 1, 2015.

624           (c) Subsection [17-36-3\(7\)](#), the language that states "17-19-3," and ", or [17-24-1.1](#), as  
625 applicable" is repealed January 1, 2015.

626           ~~[(7)]~~ (8) Subsection [17-36-9\(1\)\(a\)\(iii\)](#), the language that states "17-36-10.1, as  
627 applicable, or" is repealed January 1, 2015.

628           ~~[(8)]~~ (9) Subsection [17-36-10\(1\)](#), the language that states the following is repealed  
629 January 1, 2015:

630           "(1)(a) On or before December 31, 2014, a county of the second, third, fourth, fifth, or  
631 sixth class is not subject to the provisions of this section; and

632           (b) on or after January 1, 2015, a county of the second, third, fourth, fifth, or sixth class  
633 is subject to the provisions of this section."

634           ~~[(9)]~~ (10) Section [17-36-10.1](#) is repealed January 1, 2015.

635           ~~[(10)]~~ (11) Subsection [17-36-11\(1\)](#), the language that states the following is repealed  
636 January 1, 2015:

637           "(1)(a) On or before December 31, 2014, a county of the second, third, fourth, fifth, or  
638 sixth class is not subject to the provisions of this section; and

639           (b) on or after January 1, 2015, a county of the second, third, fourth, fifth, or sixth class  
640 is subject to the provisions of this section."

641           ~~[(11)]~~ (12) Section [17-36-11.1](#) is repealed January 1, 2015.

642           ~~[(12)]~~ (13) Subsection [17-36-15\(1\)](#), the language that states the following is repealed  
643 January 1, 2015:

644           "(1)(a) On or before December 31, 2014, a county of the second, third, fourth, fifth, or

645 sixth class is not subject to the provisions of this section; and

646 (b) on or after January 1, 2015, a county of the second, third, fourth, fifth, or sixth class  
647 is subject to the provisions of this section."

648 [~~(13)~~] (14) Section 17-36-15.1 is repealed January 1, 2015.

649 [~~(14)~~] (15) Subsection 17-36-20(1), the language that states the following is repealed  
650 January 1, 2015:

651 "(1)(a) On or before December 31, 2014, a county of the second, third, fourth, fifth, or  
652 sixth class is not subject to the provisions of this section; and

653 (b) on or after January 1, 2015, a county of the second, third, fourth, fifth, or sixth class  
654 is subject to the provisions of this section."

655 [~~(15)~~] (16) Section 17-36-20.1 is repealed January 1, 2015.

656 [~~(16)~~] (17) Subsection 17-36-32(4), the language that states "or 17-36-20.1, as  
657 applicable, and" is repealed January 1, 2015.

658 [~~(17)~~] (18) Subsection 17-36-43(1), the language that states the following is repealed  
659 January 1, 2015:

660 "(1)(a) On or before December 31, 2014, a county of the second, third, fourth, fifth, or  
661 sixth class is not subject to the provisions of this section; and

662 (b) on or after January 1, 2015, a county of the second, third, fourth, fifth, or sixth class  
663 is subject to the provisions of this section."

664 [~~(18)~~] (19) Section 17-36-43.1 is repealed January 1, 2015.

665 [~~(19)~~] (20) Section 17-36-44, the language that states "or 17-36-43.1, as applicable" is  
666 repealed January 1, 2015.

667 [~~(20)~~] (21) Subsection 17-50-401(1), the language that states the following is repealed  
668 January 1, 2015:

669 "(1)(a) On or before December 31, 2014, a county of the second, third, fourth, fifth, or  
670 sixth class is not subject to the provisions of this section; and

671 (b) on or after January 1, 2015, a county of the second, third, fourth, fifth, or sixth class  
672 is subject to the provisions of this section."

673 [~~(21)~~] (22) Section 17-50-401.1 is repealed January 1, 2015.

674 [~~(22)~~] (23) Subsection 17-52-101(2), the language that states "or 17-52-401.1, as  
675 applicable" is repealed January 1, 2015.

676            [~~(23)~~] (24) Subsection 17-52-401(1), the language that states the following is repealed  
677 January 1, 2015:

678            "(1)(a) On or before December 31, 2014, a county of the second, third, fourth, fifth, or  
679 sixth class is not subject to the provisions of this section; and

680            (b) on or after January 1, 2015, a county of the second, third, fourth, fifth, or sixth class  
681 is subject to the provisions of this section."

682            [~~(24)~~] (25) Section 17-52-401.1 is repealed January 1, 2015.

683            [~~(25)~~] (26) Subsection 17-52-403(1)(a), the language that states "or 17-52-401.1(2)(c),  
684 as applicable" is repealed January 1, 2015.

685            [~~(26)~~] (27) On January 1, 2015, when making the changes in this section, the Office of  
686 Legislative Research and General Counsel shall:

687            (a) in addition to its authority under Subsection 36-12-12(3), make corrections  
688 necessary to ensure that sections and subsections identified in this section are complete  
689 sentences and accurately reflect the office's perception of the Legislature's intent; and

690            (b) identify the text of the affected sections and subsections based upon the section and  
691 subsection numbers used in Laws of Utah 2012, Chapter 17.