

Senator Lincoln Fillmore proposes the following substitute bill:

AMENDMENTS RELATING TO LOCAL DISTRICTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel McCay

Senate Sponsor: Lincoln Fillmore

LONG TITLE

General Description:

This bill modifies provisions relating to local districts that provide fire protection, paramedic, and emergency services or law enforcement service.

Highlighted Provisions:

This bill:

- ▶ modifies provisions relating to the withdrawal of a municipality from a local district that provides fire protection, paramedic, and emergency services or law enforcement service;
- ▶ allows for withdrawal if the municipality and district agree;
- ▶ requires a feasibility study of a proposed withdrawal under certain circumstances;
- ▶ requires voter approval of a withdrawal under certain circumstances;
- ▶ eliminates the requirement for voter approval of the creation of a local district to provide fire protection, paramedic, and emergency services or law enforcement service if the municipality previously received that service from another local district and withdrew from that local district without the necessity of an election;
- ▶ modifies a provision relating to certifying a withdrawal from a local district; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

1st Sub. H.B. 229



26 None

27 **Other Special Clauses:**

28 This bill provides a special effective date.

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **17B-1-214**, as last amended by Laws of Utah 2014, Chapter 405

32 **17B-1-505**, as last amended by Laws of Utah 2016, Chapter 140

33 **17B-1-512**, as last amended by Laws of Utah 2016, Chapter 140

34 ENACTS:

35 **17B-1-505.5**, Utah Code Annotated 1953



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

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

39 **17B-1-214. Election -- Exceptions.**

40 (1) (a) Except as provided in Subsection (3) and in Subsection **17B-1-213(3)(a)**, an
41 election on the question of whether the local district should be created shall be held by:

42 (i) if the proposed local district is located entirely within a single county, the
43 responsible clerk; or

44 (ii) except as provided under Subsection (1)(b), if the proposed local district is located
45 within more than one county, the clerk of each county in which part of the proposed local
46 district is located, in cooperation with the responsible clerk.

47 (b) Notwithstanding Subsection (1)(a)(ii), if the proposed local district is located
48 within more than one county and the only area of a county that is included within the proposed
49 local district is located within a single municipality, the election for that area shall be held by
50 the municipal clerk or recorder, in cooperation with the responsible clerk.

51 (2) Each election under Subsection (1) shall be held at the next special or regular
52 general election date that is:

53 (a) for an election pursuant to a property owner or registered voter petition, more than
54 45 days after certification of the petition under Subsection **17B-1-209(3)(a)**; or

55 (b) for an election pursuant to a resolution, more than 60 days after the latest hearing
56 required under Section **17B-1-210**.

57 (3) The election requirement of Subsection (1) does not apply to:
58 (a) a petition filed under Subsection 17B-1-203(1)(a) if it contains the signatures of the
59 owners of private real property that:
60 (i) is located within the proposed local district;
61 (ii) covers at least 67% of the total private land area within the proposed local district
62 as a whole and within each applicable area; and
63 (iii) is equal in value to at least 50% of the value of all private real property within the
64 proposed local district as a whole and within each applicable area;
65 (b) a petition filed under Subsection 17B-1-203(1)(b) if it contains the signatures of
66 registered voters residing within the proposed local district as a whole and within each
67 applicable area, equal in number to at least 67% of the number of votes cast in the proposed
68 local district as a whole and in each applicable area, respectively, for the office of governor at
69 the last general election prior to the filing of the petition;
70 (c) a groundwater right owner petition filed under Subsection 17B-1-203(1)(c) if the
71 petition contains the signatures of the owners of groundwater rights that:
72 (i) are diverted within the proposed local district; and
73 (ii) cover at least 67% of the total amount of groundwater diverted in accordance with
74 groundwater rights within the proposed local district as a whole and within each applicable
75 area;
76 (d) a resolution adopted under Subsection 17B-1-203(1)(d) on or after May 5, 2003,
77 that proposes the creation of a local district to provide fire protection, paramedic, and
78 emergency services or law enforcement service, if the proposed local district:
79 (i) includes the unincorporated area, whether in whole or in part, of one or more
80 counties; or
81 (ii) consists of an area that:
82 (A) has a boundary that is the same as the boundary of the municipality whose
83 legislative body adopts the resolution proposing the creation of the local district;
84 (B) previously received fire protection, paramedic, and emergency services or law
85 enforcement service from another local district; and
86 (C) may be withdrawn from the other local district under Section 17B-1-505 without
87 an election because the withdrawal is pursuant to an agreement under Subsection

88 17B-1-505(5)(a)(ii)(A) or (5)(b):

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

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

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

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

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

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

104 Section 2. Section 17B-1-505 is amended to read:

105 **17B-1-505. Withdrawal of municipality from certain districts providing fire**
106 **protection, paramedic, and emergency services or law enforcement service or municipal**
107 **services.**

108 (1) As used in this section, "first responder district" means a local district, other than a
109 municipal services district, that provides:

110 (a) fire protection, paramedic, and emergency services; or

111 (b) law enforcement service.

112 (2) This section applies to the withdrawal of a municipality that is entirely within the
113 boundary of a first responder district or municipal services district that was created without the
114 necessity of an election because of Subsection 17B-1-214(3)(d) or (g).

115 ~~[(+)]~~ (3) (a) The process to withdraw [an area] a municipality from a [local] first
116 responder district or municipal services district may be initiated by a resolution adopted by the
117 legislative body of [a] the municipality, subject to Subsection ~~[(+)]~~ (3)(b)[, that is entirely
118 within the boundaries of a local district:].

119 ~~[(i) that provides:]~~
 120 ~~[(A) fire protection, paramedic, and emergency services;]~~
 121 ~~[(B) law enforcement service; or]~~
 122 ~~[(C) municipal services, as defined in Section 17B-2a-1102; and]~~
 123 ~~[(ii) in the creation of which an election was not required because of Subsection~~
 124 ~~17B-1-214(3)(d) or (g).]~~

125 (b) ~~[A municipal]~~ The legislative body of a municipality that is within a municipal
 126 services district ~~[established under Chapter 2a, Part 11, Municipal Services District Act,]~~ may
 127 not adopt a resolution under Subsection ~~[(+)]~~ (3)(a) to withdraw from the municipal services
 128 district unless the municipality has conducted a feasibility study in accordance with Section
 129 17B-2a-1110.

130 (c) Within 10 days after adopting a resolution under Subsection ~~[(+)]~~ (3)(a), the
 131 municipal legislative body shall submit to the board of trustees of the ~~[local]~~ first responder
 132 district or municipal services district written notice of the adoption of the resolution,
 133 accompanied by a copy of the resolution.

134 ~~[(2)]~~ (4) If a resolution is adopted under Subsection ~~[(+)]~~ (3)(a) by the legislative body
 135 of a municipality within a municipal services district, the municipal legislative body shall hold
 136 an election at the next municipal general election that is more than 60 days after adoption of the
 137 resolution on the question of whether the municipality should withdraw from the ~~[local]~~
 138 municipal services district.

139 (5) (a) A municipality shall be withdrawn from a first responder district if:

140 (i) the legislative body of the municipality adopts a resolution initiating the withdrawal
 141 under Subsection (3)(a); and

142 (ii) (A) whether before or after the effective date of this section, the municipality and
 143 first responder district agree in writing to the withdrawal; or

144 (B) except as provided in Subsection (5)(b) and subject to Subsection (6), the voters of
 145 the municipality approve the withdrawal at an election held for that purpose.

146 (b) An election under Subsection (5)(a)(ii)(B) is not required if, after a feasibility study
 147 is conducted under Section 17B-1-505.5 and a public hearing is held under Subsection
 148 17B-1-505.5(14), the municipality and first responder district agree in writing to the
 149 withdrawal.

150 (6) An election under Subsection (5)(a)(ii)(B) may not be held unless:
151 (a) a feasibility study is conducted under Section 17B-1-505.5; and
152 (b) (i) the feasibility study concludes that the withdrawal is functionally and financially
153 feasible for the municipality and the first responder district; or
154 (ii) (A) the feasibility study concludes that the withdrawal would be functionally and
155 financially feasible for the municipality and the first responder district if conditions specified in
156 the feasibility study are met; and
157 (B) the legislative body of the municipality adopts a resolution irrevocably committing
158 the municipality to satisfying the conditions specified in the feasibility study, if the withdrawal
159 is approved by the municipality's voters.

160 ~~[(3)]~~ (7) If a majority of those voting on the question of withdrawal at an election held
161 under Subsection ~~[(2)]~~ (4) or (5)(a)(ii)(B) vote in favor of withdrawal, the municipality shall be
162 withdrawn from the local district.

163 ~~[(4)]~~ (8) (a) Within 10 days after the canvass of an election at which a withdrawal
164 under this section is submitted to voters, the municipal legislative body shall send written
165 notice to the board of the ~~[toeaf]~~ first responder district or municipal services district from
166 which the municipality is proposed to withdraw.

167 (b) Each notice under Subsection ~~[(4)]~~ (8)(a) shall:

168 (i) state the results of the withdrawal election; and

169 (ii) if the withdrawal was approved by voters, be accompanied by a copy of an
170 approved final local entity plat, as defined in Section 67-1a-6.5.

171 ~~[(5)]~~ (9) The effective date of a withdrawal under this section is governed by
172 Subsection 17B-1-512(2)(a).

173 Section 3. Section 17B-1-505.5 is enacted to read:

174 **17B-1-505.5. Feasibility study for a municipality's withdrawal from a local**
175 **district providing fire protection, paramedic, and emergency services or law enforcement**
176 **service.**

177 (1) As used in this section:

178 (a) "Feasibility consultant" means a person with expertise in:

179 (i) the processes and economics of local government; and

180 (ii) the economics of providing fire protection, paramedic, and emergency services or

181 law enforcement service.

182 (b) "Feasibility study" means a study to determine the functional and financial
183 feasibility of a municipality's withdrawal from a first responder local district.

184 (c) "First responder district" means a local district, other than a municipal services
185 district, that provides:

186 (i) fire protection, paramedic, and emergency services; or

187 (ii) law enforcement service.

188 (d) "Withdrawing municipality" means a municipality whose legislative body has
189 adopted a resolution under Subsection 17B-1-505(3)(a) to initiate the process of the
190 municipality's withdrawal from a first responder district.

191 (2) This section applies and a feasibility study shall be conducted, as provided in this
192 section, if:

193 (a) the legislative body of a municipality has adopted a resolution under Subsection
194 17B-1-505(3)(a) to initiate the process of the municipality's withdrawal from a first responder
195 district;

196 (b) the municipality and first responder district have not agreed in writing to the
197 withdrawal; and

198 (c) a feasibility study is a condition under Subsection 17B-1-505(6)(a) for an election
199 to be held approving the withdrawal.

200 (3) (a) As provided in this Subsection (3), the withdrawing municipality and first
201 responder district shall choose and engage a feasibility consultant to conduct a feasibility study.

202 (b) The withdrawing municipality and first responder district shall jointly choose and
203 engage a feasibility consultant according to applicable municipal or local district procurement
204 procedures.

205 (c) (i) If the withdrawing municipality and first responder district cannot agree on and
206 have not engaged a feasibility consultant under Subsection (3)(b) within 45 days after the
207 legislative body of the withdrawing municipality submits written notice to the first responder
208 district under Subsection 17B-1-505(3)(c), the withdrawing municipality and first responder
209 district shall, as provided in this Subsection (3)(c), choose a feasibility consultant from a list of
210 at least eight feasibility consultants provided by the Utah Association of Certified Public
211 Accountants.

212 (ii) A list of feasibility consultants under Subsection (3)(c)(i) may not include a
213 feasibility consultant that has had a contract to provide services to the withdrawing
214 municipality or first responder district at any time during the two-year period immediately
215 preceding the date the list is provided under Subsection (3)(c)(i).

216 (iii) (A) Beginning with the first responder district, the first responder district and
217 withdrawing municipality shall alternately eliminate one feasibility consultant each from the
218 list of feasibility consultants until one feasibility consultant remains.

219 (B) Within five days after receiving the list of consultants from the Utah Association of
220 Certified Public Accountants, the first responder district shall make the first elimination of a
221 feasibility consultant from the list and notify the withdrawing municipality in writing of the
222 elimination.

223 (C) After the first elimination of a feasibility consultant from the list, the withdrawing
224 municipality and first responder district shall each, within three days after receiving the written
225 notification of the preceding elimination, notify the other in writing of the elimination of a
226 feasibility consultant from the list.

227 (d) If a withdrawing municipality and first responder district do not engage a feasibility
228 consultant under Subsection (3)(b), the withdrawing municipality and first responder district
229 shall engage the feasibility consultant that has not been eliminated from the list at the
230 completion of the process described in Subsection (3)(c).

231 (4) A feasibility consultant that conducts a feasibility study under this section shall be
232 independent of and unaffiliated with the withdrawing municipality and first responder district.

233 (5) In conducting a feasibility study under this section, the feasibility consultant shall
234 consider:

235 (a) population and population density within the withdrawing municipality;

236 (b) current and five-year projections of demographics and economic base in the
237 withdrawing municipality, including household size and income, commercial and industrial
238 development, and public facilities;

239 (c) projected growth in the withdrawing municipality during the next five years;

240 (d) subject to Subsection (6)(a), the present and five-year projections of the cost,
241 including overhead, of providing the same service in the withdrawing municipality as is
242 provided by the first responder district, including:

- 243 (i) the estimated cost if the first responder district continues to provide service; and
244 (ii) the estimated cost if the withdrawing municipality provides service;
245 (e) subject to Subsection (6)(a), the present and five-year projections of the cost,
246 including overhead, of the first responder district providing service with:
247 (i) the municipality included in the first responder district's service area; and
248 (ii) the withdrawing municipality excluded from the first responder district's service
249 area;
250 (f) a projection of any new taxes per household that may be levied within the
251 withdrawing municipality within five years after the withdrawal;
252 (g) the fiscal impact that the withdrawing municipality's withdrawal has on other
253 municipalities and unincorporated areas served by the first responder district, including any rate
254 increase that may become necessary to maintain required coverage ratios for the first responder
255 district's debt;
256 (h) the physical and other assets that will be required by the withdrawing municipality
257 to provide, without interruption or diminution of service, the same service that is being
258 provided by the first responder district;
259 (i) the physical and other assets that will no longer be required by the first responder
260 district to continue to provide the current level of service to the remainder of the first responder
261 district, excluding the withdrawing municipality, and could be transferred to the withdrawing
262 municipality;
263 (j) subject to Subsection (6)(b), a fair and equitable allocation of the first responder
264 district's assets between the first responder district and the withdrawing municipality, effective
265 upon the withdrawal of the withdrawing municipality from the first responder district;
266 (k) a fair and equitable allocation of the debts, liabilities, and obligations of the first
267 responder district and any local building authority of the first responder district, between the
268 withdrawing municipality and the remaining first responder district, taking into consideration:
269 (i) any requirement to maintain the excludability of interest from the income of the
270 holder of the debt, liability, or obligation for federal income tax purposes; and
271 (ii) any first responder district assets that have been purchased with the proceeds of
272 bonds issued by the first responder district that the first responder district will retain and any of
273 those assets that will be transferred to the withdrawing municipality;

274 (l) the number and classification of first responder district employees who will no
275 longer be required to serve the remaining portions of the first responder district after the
276 withdrawing municipality withdraws from the first responder district, including the dollar
277 amount of the wages, salaries, and benefits attributable to the employees and the estimated cost
278 associated with termination of the employees if the withdrawing municipality does not employ
279 the employees;

280 (m) maintaining as a base, for a period of three years after withdrawal, the existing
281 schedule of pay and benefits for first responder district employees who are transferred to the
282 employment of the withdrawing municipality; and

283 (n) any other factor that the feasibility consultant considers relevant to the question of
284 the withdrawing municipality's withdrawal from the first responder district.

285 (6) (a) For purposes of Subsections (5)(d) and (e):

286 (i) the feasibility consultant shall assume a level and quality of service to be provided
287 in the future to the withdrawing municipality that fairly and reasonably approximates the level
288 and quality of service that the first responder district provides to the withdrawing municipality
289 at the time of the feasibility study;

290 (ii) in determining the present value cost of a service that the first responder district
291 provides, the feasibility consultant shall consider:

292 (A) the cost to the withdrawing municipality of providing the service for the first five
293 years after the withdrawal; and

294 (B) the first responder district's present and five-year projected cost of providing the
295 same service within the withdrawing municipality; and

296 (iii) the feasibility consultant shall consider inflation and anticipated growth in
297 calculating the cost of providing service.

298 (b) The feasibility consultant may not consider an allocation of first responder district
299 assets or a transfer of first responder district employees to the extent that the allocation or
300 transfer would impair the first responder district's ability to continue to provide the current
301 level of service to the remainder of the first responder district without the withdrawing
302 municipality, unless the first responder district consents to the allocation or transfer.

303 (7) A feasibility consultant may retain an architect, engineer, or other professional, as
304 the feasibility consultant considers prudent and as provided in the agreement with the

305 withdrawing municipality and first responder district, to assist the feasibility consultant to
306 conduct a feasibility study.

307 (8) The withdrawing municipality and first responder district shall require the
308 feasibility consultant to:

309 (a) complete the feasibility study within a time established by the withdrawing
310 municipality and first responder district;

311 (b) prepare and submit a written report communicating the results of the feasibility
312 study, including a one-page summary of the results; and

313 (c) attend all public hearings relating to the feasibility study under Subsection (14).

314 (9) A written report of the results of a feasibility study under this section shall:

315 (a) contain a recommendation concerning whether a withdrawing municipality's
316 withdrawal from a first responder district is functionally and financially feasible for both the
317 first responder district and the withdrawing municipality; and

318 (b) include any conditions the feasibility consultant determines need to be satisfied in
319 order to make the withdrawal functionally and financially feasible, including:

320 (i) first responder district assets and liabilities to be allocated to the withdrawing
321 municipality; and

322 (ii) (A) first responder district employees to become employees of the withdrawing
323 municipality; and

324 (B) sick leave, vacation, and other accrued benefits and obligations relating to the first
325 responder district employees that the withdrawing municipality needs to assume.

326 (10) The withdrawing municipality and first responder district shall equally share the
327 feasibility consultant's fees and costs, as specified in the agreement between the withdrawing
328 municipality and first responder district and the feasibility consultant.

329 (11) (a) Upon completion of the feasibility study and preparation of a written report,
330 the feasibility consultant shall deliver a copy of the report to the withdrawing municipality and
331 first responder district.

332 (b) (i) A withdrawing municipality or first responder district that disagrees with any
333 aspect of a feasibility study report may, within 20 business days after receiving a copy of the
334 report under Subsection (11)(a), submit to the feasibility consultant a written objection
335 detailing the disagreement.

336 (ii) (A) A withdrawing municipality that submits a written objection under Subsection
337 (11)(b)(i) shall simultaneously deliver a copy of the objection to the first responder district.

338 (B) A first responder district that submits a written objection under Subsection
339 (11)(b)(i) shall simultaneously deliver a copy of the objection to the withdrawing municipality.

340 (iii) A withdrawing municipality or first responder district may, within 10 business
341 days after receiving an objection under Subsection (11)(b)(ii), submit to the feasibility
342 consultant a written response to the objection.

343 (iv) (A) A withdrawing municipality that submits a response under Subsection
344 (11)(b)(iii) shall simultaneously deliver a copy of the response to the first responder district.

345 (B) A first responder district that submits a response under Subsection (11)(b)(iii) shall
346 simultaneously deliver a copy of the response to the withdrawing municipality.

347 (v) If an objection is filed under Subsection (11)(b)(i), the feasibility consultant shall,
348 within 20 business days after the expiration of the deadline under Subsection (11)(b)(iii) for
349 submitting a response to an objection:

350 (A) modify the feasibility study report or explain in writing why the feasibility
351 consultant is not modifying the feasibility study report; and

352 (B) deliver the modified feasibility study report or written explanation to the
353 withdrawing municipality and first responder local district.

354 (12) Within seven days after the expiration of the deadline under Subsection (11)(b)(i)
355 for submitting an objection or, if an objection is submitted, within seven days after receiving a
356 modified feasibility study report or written explanation under Subsection (11)(b)(v), but at least
357 30 days before a public hearing under Subsection (14), the withdrawing municipality shall:

358 (a) make a copy of the report available to the public at the primary office of the
359 withdrawing municipality; and

360 (b) if the withdrawing municipality has a website, post a copy of the report on the
361 municipality's website.

362 (13) A feasibility study report or, if a feasibility study report is modified under
363 Subsection (11), a modified feasibility study report may not be challenged unless the basis of
364 the challenge is that the report results from collusion or fraud.

365 (14) (a) Following the expiration of the deadline under Subsection (11)(b)(i) for
366 submitting an objection, or, if an objection is submitted under Subsection (11)(b)(i), following

367 the withdrawing municipality's receipt of the modified feasibility study report or written
368 explanation under Subsection (11)(b)(v), the legislative body of the withdrawing municipality
369 shall, at the legislative body's next regular meeting, schedule at least one public hearing to be
370 held:

371 (i) within the following 60 days; and

372 (ii) for the purpose of allowing:

373 (A) the feasibility consultant to present the results of the feasibility study; and

374 (B) the public to become informed about the feasibility study results, to ask the

375 feasibility consultant questions about the feasibility study, and to express the public's views
376 about the proposed withdrawal.

377 (b) At a public hearing under Subsection (14)(a), the legislative body of the
378 withdrawing municipality shall:

379 (i) provide a copy of the feasibility study for public review; and

380 (ii) allow the public to:

381 (A) ask the feasibility consultant questions about the feasibility study; and

382 (B) express the public's views about the withdrawing municipality's proposed

383 withdrawal from the first responder district.

384 (15) (a) The clerk or recorder of the withdrawing municipality shall publish notice of a
385 hearing under Subsection (14):

386 (i) at least once a week for three successive weeks in a newspaper of general
387 circulation within the withdrawing municipality, with the last publication occurring no less
388 than three days before the first public hearing held under Subsection (14); and

389 (ii) on the Utah Public Notice Website created in Section [63F-1-701](#), for three
390 consecutive weeks immediately before the public hearing.

391 (b) A notice under Subsection (15)(a) shall state:

392 (i) the date, time, and location of the public hearing; and

393 (ii) that a copy of the feasibility study report may be obtained, free of charge, at the
394 office of the withdrawing municipality or on the withdrawing municipality's website.

395 (16) Unless the withdrawing municipality and first responder district agree otherwise,
396 conditions that a feasibility study report indicates are necessary to be met for a withdrawal to
397 be functionally and financially feasible for the withdrawing municipality and first responder

398 district are binding on the withdrawing municipality and first responder district if the
399 withdrawal occurs.

400 Section 4. Section 17B-1-512 is amended to read:

401 **17B-1-512. Filing of notice and plat -- Recording requirements -- Contest period**
402 **-- Judicial review.**

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

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

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

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

409 (i) within 10 days after adopting a resolution approving a withdrawal under Section
410 17B-1-510;

411 (ii) on or before January 31 of the year following the board of trustees' receipt of a
412 notice or copy described in Subsection (1)(c), if the board of trustees receives the notice or
413 copy between July 1 and December 31; or

414 (iii) on or before the July 31 following the board of trustees' receipt of a notice or copy
415 described in Subsection (1)(c), if the board of trustees receives the notice or copy between
416 January 1 and June 30.

417 (c) The board of trustees shall comply with the requirements described in Subsection
418 (1)(b)(ii) or (iii) after:

419 (i) receiving:

420 [(i)] (A) a notice under Subsection 10-2-425(2) of an automatic withdrawal under
421 Subsection 17B-1-502(2);

422 [(ii)] (B) a copy of the municipal legislative body's resolution approving an automatic
423 withdrawal under Subsection 17B-1-502(3)(a); or

424 [(iii)] (C) notice of a withdrawal of a municipality from a local district under Section
425 17B-1-502[-]; or

426 (ii) entering into an agreement with a municipality under Subsection
427 17B-1-505(5)(a)(ii)(A) or (5)(b).

428 (d) Upon the lieutenant governor's issuance of a certificate of withdrawal under Section

429 67-1a-6.5, the board shall:

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

432 (A) the original:

433 (I) notice of an impending boundary action;

434 (II) certificate of withdrawal; and

435 (III) approved final local entity plat; and

436 (B) if applicable, a certified copy of the resolution or notice referred to in Subsection

437 (1)(b); or

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

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

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

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

451 (b) An automatic withdrawal under Subsection 17B-1-502(3) shall be effective upon
452 the lieutenant governor's issuance of a certificate of withdrawal under Section 67-1a-6.5.

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

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

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

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

459 (i) the name of the local district;

460 (ii) a description of the area proposed for withdrawal;
461 (iii) a brief explanation of the grounds on which the board of trustees determined to
462 approve or deny the withdrawal; and
463 (iv) the times and place where a copy of the resolution may be examined, which shall
464 be at the place of business of the local district, identified in the notice, during regular business
465 hours of the local district as described in the notice and for a period of at least 30 days after the
466 publication of the notice.

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

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

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

- 478 (i) the board of trustees' decision to withdraw an area from the local district;
- 479 (ii) the terms and conditions of a withdrawal; or
- 480 (iii) the board's decision to deny a withdrawal.

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

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

486 (ii) if the resolution is not published pursuant to Subsection (3), within 60 days after
487 the resolution approving or denying the withdrawal is adopted; or

488 (iii) if a request is submitted to the board of trustees of a local district under Subsection
489 (4), and the board adopts a resolution under Subsection (5), within 60 days after the board
490 adopts a resolution under Subsection (5) unless the resolution is published under Subsection

491 (3), in which event the action shall be filed within 60 days after the publication.

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

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

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

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

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

501 Section 5. **Effective date.**

502 If approved by two-thirds of all the members elected to each house, this bill takes effect
503 upon approval by the governor, or the day following the constitutional time limit of Utah
504 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,
505 the date of veto override.