

## SB0060S01 compared with SB0060

~~deleted text~~ shows text that was in SB0060 but was deleted in SB0060S01.

Inserted text shows text that was not in SB0060 but was inserted into SB0060S01.

**DISCLAIMER:** This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Senator Lincoln Fillmore proposes the following substitute bill:

### AUTOMATIC LOCAL DISTRICT WITHDRAWAL

#### AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Lincoln Fillmore**

House Sponsor: ~~\_\_\_\_\_~~ Robert M. Spendlove

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#### LONG TITLE

##### General Description:

This bill addresses the automatic withdrawal of an area from a local district in the case of certain annexations.

##### Highlighted Provisions:

This bill:

- ▶ provides for the automatic withdrawal of an area from a local district in the case of certain annexations; and
- ▶ makes technical and conforming changes.

##### Money Appropriated in this Bill:

None

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### Other Special Clauses:

None

### Utah Code Sections Affected:

AMENDS:

~~{17B-1-502}~~17B-1-503, as last amended by Laws of Utah ~~{2016}~~2014, ~~{Chapters 176 and 348}~~Chapter 156

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

Section 1. Section ~~{17B-1-502}~~17B-1-503 is amended to read:

~~{17B-1-502}~~17B-1-503. ~~Withdrawal {of area from local district -- Automatic withdrawal in certain circumstances.~~

~~—— (1) (a) An area within the boundaries of}~~or boundary adjustment with municipal approval.

~~(1) A municipality and~~ a local district whose boundaries adjoin or overlap may ~~{be withdrawn from}~~adjust the boundary of the local district ~~{only as provided in this part or, if applicable, as provided in}~~to include more or less of the municipality, including the expansion area identified in the annexation policy plan adopted by the municipality under Section 10-2-401.5, in the local district by following the same procedural requirements as set forth in Section 17B-1-417 for boundary adjustments between adjoining local districts.

~~(2) (a) Notwithstanding any other provision of this title, a municipality annexing all or part of an unincorporated island or peninsula under Title 10, Chapter 2, Classification, Boundaries, Consolidation, and Dissolution of Municipalities, that overlaps a municipal services district organized under Title 17B, Chapter 2a, Part 11, Municipal Services District Act, may petition to withdraw the area from the municipal services district in accordance with this Subsection (2).~~

~~(b) {Except as provided}For a valid withdrawal described in {Subsections (2) and (3)}, the inclusion of an area of a local district within a municipality because of a municipal incorporation under Title 10, Chapter 2a, Municipal Incorporation, or a municipal annexation or boundary adjustment under Title 10, Chapter 2, Part 4, Annexation, does not affect the requirements under this part for the process of withdrawing that area from the local district.~~

~~—— (2) (a) An area within the boundaries of a local district is automatically}~~Subsection

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### (2)(a):

(i) the annexation petition under Section 10-2-403 or a separate consent, signed by owners of at least 60% of the total private land area, shall state that the signers request the area to be withdrawn from the {local district by the annexation of the area to a municipality or the adding of the area to a municipality by boundary adjustment under Title 10, Chapter 2, Part 4, Annexation, if:

~~—— (i) the local district provides:~~

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

~~—— (B) law enforcement service;~~

~~—— (ii) an election for the creation of the local district was not required because of Subsection 17B-1-214(3)(d) or (g); and~~

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

~~—— (b) The effective date of a withdrawal under this Subsection (2) is governed by Subsection 17B-1-512(2)(b):~~

~~—— (3) (a) Except as provided in Subsection (3)(c) or (d), an area within the boundaries of a local district located in a county of the first class is automatically withdrawn from the local district by the incorporation of a municipality [whose] with boundaries that include the area or by annexation of an area into a municipality with boundaries that include the area if:~~

~~—— (i) the local district provides }municipal services{, as defined in Section 17B-2a-1102, excluding fire protection, paramedic, emergency, and law enforcement services;~~

~~—— (ii) an election for the creation of the local district was not required because of Subsection 17B-1-214(3) (g); and~~

~~—— (iii) } district; and~~

(ii) the legislative body of the {newly incorporated municipality or the annexing municipality:

~~—— (A) for a city or town incorporated under Title 10, Chapter 2a, Part 4, Incorporation of Metro Townships and Unincorporated Islands in a County of the First Class on and after May 12, 2015, complies with the feasibility study requirements}municipality shall adopt a resolution, which may be the resolution adopted in accordance with Subsection 10-2-418(5)(a), stating the municipal legislative body's intent to withdraw the area from the municipal services~~

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district.

(c) The board of trustees of the municipal services district shall consider the municipality's petition to withdraw the area from the municipal services district within 90 days after the day on which the municipal services district receives the petition.

(d) The board of trustees of the municipal services district:

(i) may hold a public hearing in accordance with the notice and public hearing provisions of Section ~~{17B-2a-1110;~~

~~(B) adopts a resolution no later than 180 days after the effective date of incorporation or annexation approving}~~ 17B-1-508;

(ii) shall consider information that includes any factual data presented by the municipality and any owner of private real property who signed a petition or other form of consent described in Subsection (2)(b)(i); and

(iii) identify in writing the information upon which the board of trustees relies in approving or rejecting the withdrawal ~~{ that includes the legal description of}.~~

(e) The board of trustees of the municipal services district shall approve the withdrawal, effective upon the annexation of the area into the municipality or, if the area municipality has already annexed the area, as soon as possible in the reasonable course of events, if the board of trustees makes a finding that:

(i) (A) the loss of revenue to the municipal services district due to a withdrawal of the area will be offset by savings associated with no longer providing municipal-type services to the area; or

(B) if the loss of revenue will not be offset by savings resulting from no longer providing municipal-type services to the area, the municipality agreeing to terms and conditions, which may include terms and conditions described in Subsection 17B-1-510(5), can mitigate or eliminate the loss of revenue;

(ii) the annexation petition under Section 10-2-403, or a separate petition meeting the same signature requirements, states that the signers request the area to be withdrawn ~~{, and~~

~~(C) delivers a copy of the resolution to}~~ from the municipal services district; or

(iii) the following have consented in writing to the withdrawal:

(A) owners of more than 60% of the total private land area; or

(B) owners of private land equal in assessed value to more than 60% of the assessed

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value of all private real property within the area proposed for withdrawal have consented in writing to the withdrawal.

(f) If the board of trustees of the ~~local district.~~

~~— (b) The effective date of a withdrawal under this Subsection (3) is governed by Subsection 17B-1-512(2)(a):~~

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

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

~~— (A) fire protection, paramedic, and emergency services;~~

~~— (B) law enforcement service; or~~

~~— (C) municipal services, as defined in Section 17B-2a-1102;~~

~~— (ii) an election for the creation of the local district was not required under Subsection 17B-1-214(3)(d) or (g); and~~

~~— (iii) for a local district that provides municipal services, as defined in Section 17B-2a-1102, excluding fire protection, paramedic, emergency, and law enforcement services, the 180-day period described in Subsection (3)(a)(iii)(B) is expired.~~

~~— (d) An area may not be withdrawn from a local district that provides municipal services, as defined in Section 17B-2a-1102, excluding fire protection, paramedic, emergency, and law enforcement services, if:~~

~~— (i) the area is incorporated as a metro township; and~~

~~— (ii) at the election to incorporate as a metro township, the residents of the area chose to be included in a } municipal services district~~ does not make any of the findings described in Subsection (2)(e), the board of trustees may approve or reject the withdrawal based upon information upon which the board of trustees relies and that the board of trustees identifies in writing.

(g) (i) If a municipality annexes an island or a part of an island before May 14, 2019, the legislative body of the municipality may initiate the withdrawal of the area from the municipal services district by adopting a resolution that:

(A) requests that the area be withdrawn from the municipal services district; and

(B) a final local entity plat accompanies, identifying the area proposed to be withdrawn from the municipal services district;

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(ii) (A) Upon receipt of the resolution and except as provided in Subsection (2)(g)(ii)(B), the board of trustees of the municipal services district shall approve the withdrawal.

(B) The board of trustees of the municipal services district may reject the withdrawal if the rejection is based upon a good faith finding that lost revenues due to the withdrawal will exceed expected cost savings resulting from no longer serving the area.

(h) (i) Based upon a finding described in Subsection (e) or (f):

(A) the board of trustees of the municipal services district shall adopt a resolution approving the withdrawal; and

(B) the chair of the board shall sign a notice of impending boundary action, as defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3).

(ii) The annexing municipality shall deliver the following to the lieutenant governor:

(A) the resolution and notice of impending boundary action described in Subsection (2)(g)(i);

(B) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5; and

(C) any other documentation required by law.

(i) (i) Once the Lieutenant Governor has issued an applicable certificate, as defined in Section 67-1a-6.5, the municipality shall deliver the certificate, the resolution and notice of impending boundary action described in Subsection (2)(h)(i), the final local entity plat, as defined in Section 67-1a-6.5, and any other document required by law, to the recorder of the county in which the area is located.

(ii) After the municipality makes the delivery described in Subsection (2)(i)(i), the area, for all purposes, is no longer part of the municipal services district.

(j) The annexing municipality and the municipal services district may enter into an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act, stating:

(i) the municipality's and the district's duties and responsibilities in conducting a withdrawal under this subsection (2); and

(ii) any other matter respecting an unincorporated island that the municipality surrounds on all sides.

[(2)] (3) After a boundary adjustment under Subsection (1) or a withdrawal under Subsection (2) is complete:

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(a) the local district shall, without interruption, provide the same service to any area added to the local district as provided to other areas within the local district; and

(b) the municipality shall, without interruption, provide the same service that the local district previously provided to any area withdrawn from the local district.

~~(3)~~ (4) No area within a municipality may be added to the area of a local district under this section if the area is part of a local district that provides the same wholesale or retail service as the first local district.