

MUNICIPAL ANNEXATION REVISIONS

2020 SIXTH SPECIAL SESSION

STATE OF UTAH

Chief Sponsor: Calvin R. Musselman

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

This bill modifies provisions related to municipal annexation.

Highlighted Provisions:

This bill:

- ▶ repeals provisions that allow a municipality to annex certain unincorporated areas without an annexation petition; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

10-2-402, as last amended by Laws of Utah 2020, Fifth Special Session, Chapter 15

10-2-418, as last amended by Laws of Utah 2020, Fifth Special Session, Chapter 15

17B-1-503, as last amended by Laws of Utah 2020, Chapter 208

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

Section 1. Section **10-2-402** is amended to read:

10-2-402. Annexation -- Limitations.

(1) (a) A contiguous, unincorporated area that is contiguous to a municipality may be annexed to the municipality as provided in this part.

30 (b) Except as provided in Subsection (1)(c), an unincorporated area may not be
31 annexed to a municipality unless:

32 (i) it is a contiguous area;

33 (ii) it is contiguous to the municipality;

34 (iii) annexation will not leave or create an unincorporated island or unincorporated
35 peninsula:

36 (A) except as provided in Subsection 10-2-418(3) [~~or (4)~~]; or

37 (B) unless the county and municipality have otherwise agreed; and

38 (iv) for an area located in a specified county with respect to an annexation that occurs
39 after December 31, 2002, the area is within the proposed annexing municipality's expansion
40 area.

41 (c) A municipality may annex an unincorporated area within a specified county that
42 does not meet the requirements of Subsection (1)(b), leaving or creating an unincorporated
43 island or unincorporated peninsula, if:

44 (i) the area is within the annexing municipality's expansion area;

45 (ii) the specified county in which the area is located and the annexing municipality
46 agree to the annexation;

47 (iii) the area is not within the area of another municipality's annexation policy plan,
48 unless the other municipality agrees to the annexation; and

49 (iv) the annexation is for the purpose of providing municipal services to the area.

50 (2) Except as provided in Section 10-2-418, a municipality may not annex an
51 unincorporated area unless a petition under Section 10-2-403 is filed requesting annexation.

52 (3) (a) An annexation under this part may not include part of a parcel of real property
53 and exclude part of that same parcel unless the owner of that parcel has signed the annexation
54 petition under Section 10-2-403.

55 (b) A piece of real property that has more than one parcel number is considered to be a
56 single parcel for purposes of Subsection (3)(a) if owned by the same owner.

57 (4) A municipality may not annex an unincorporated area in a specified county for the

58 sole purpose of acquiring municipal revenue or to retard the capacity of another municipality to
59 annex the same or a related area unless the municipality has the ability and intent to benefit the
60 annexed area by providing municipal services to the annexed area.

61 (5) (a) As used in this subsection, "expansion area urban development" means:

62 (i) for a specified county, urban development within a city or town's expansion area; or

63 (ii) for a county of the first class, urban development within a city or town's expansion
64 area that:

65 (A) consists of 50 or more acres;

66 (B) requires the county to change the zoning designation of the land on which the
67 urban development is located; and

68 (C) does not include commercial or industrial development that is located within a
69 mining protection area as defined in Section 17-41-101, regardless of whether the commercial
70 or industrial development is for a mining use as defined in Section 17-41-101.

71 (b) A county legislative body may not approve expansion area urban development
72 unless:

73 (i) the county notifies the city or town of the proposed development; and

74 (ii) (A) the city or town consents in writing to the development;

75 (B) within 90 days after the county's notification of the proposed development, the city
76 or town submits to the county a written objection to the county's approval of the proposed
77 development and the county responds in writing to the city or town's objection; or

78 (C) the city or town fails to respond to the county's notification of the proposed
79 development within 90 days after the day on which the county provides the notice.

80 (6) (a) An annexation petition may not be filed under this part proposing the
81 annexation of an area located in a county that is not the county in which the proposed annexing
82 municipality is located unless the legislative body of the county in which the area is located has
83 adopted a resolution approving the proposed annexation.

84 (b) Each county legislative body that declines to adopt a resolution approving a
85 proposed annexation described in Subsection (6)(a) shall provide a written explanation of its

86 reasons for declining to approve the proposed annexation.

87 (7) (a) As used in this Subsection (7), "airport" means an area that the Federal Aviation
88 Administration has, by a record of decision, approved for the construction or operation of a
89 Class I, II, or III commercial service airport, as designated by the Federal Aviation
90 Administration in 14 C.F.R. Part 139.

91 (b) A municipality may not annex an unincorporated area within 5,000 feet of the
92 center line of any runway of an airport operated or to be constructed and operated by another
93 municipality unless the legislative body of the other municipality adopts a resolution
94 consenting to the annexation.

95 (c) A municipality that operates or intends to construct and operate an airport and does
96 not adopt a resolution consenting to the annexation of an area described in Subsection (7)(b)
97 may not deny an annexation petition proposing the annexation of that same area to that
98 municipality.

99 (8) (a) As used in this subsection, "project area" means a project area as defined in
100 Section [63H-1-102](#) that is in a project area plan as defined in Section [63H-1-102](#) adopted by
101 the Military Installation Development Authority under Title 63H, Chapter 1, Military
102 Installation Development Authority Act.

103 (b) A municipality may not annex an unincorporated area located within a project area
104 without the authority's approval.

105 (c) (i) Except as provided in Subsection (8)(c)(ii), the Military Installation
106 Development Authority may petition for annexation of the following areas to a municipality as
107 if it was the sole private property owner within the area:

108 (A) an area within a project area;

109 (B) an area that is contiguous to a project area and within the boundaries of a military
110 installation;

111 (C) an area owned by the Military Installation Development Authority; and

112 (D) an area that is contiguous to an area owned by the Military Installation

113 Development Authority that the Military Installation Development Authority plans to add to an

114 existing project area.

115 (ii) If any portion of an area annexed under a petition for annexation filed by the
116 Military Installation Development Authority is located in a specified county:

117 (A) the annexation process shall follow the requirements for a specified county; and

118 (B) the provisions of Subsection 10-2-402(6) do not apply.

119 Section 2. Section **10-2-418** is amended to read:

120 **10-2-418. Annexation of an island or peninsula without a petition -- Notice --**
121 **Hearing.**

122 (1) As used in Subsection (2)(b)(ii), for purposes of an annexation conducted in
123 accordance with this section of an area located within a county of the first class,
124 "municipal-type services" does not include a service provided by a municipality pursuant to a
125 contract that the municipality has with another political subdivision as "political subdivision" is
126 defined in Section 17B-1-102.

127 (2) Notwithstanding Subsection 10-2-402(2), a municipality may annex an
128 unincorporated area under this section without an annexation petition if:

129 (a) for an unincorporated area within the expansion area of more than one municipality,
130 each municipality agrees to the annexation; and

131 (b) (i) (A) the area to be annexed consists of one or more unincorporated islands within
132 or unincorporated peninsulas contiguous to the municipality;

133 (B) the majority of each island or peninsula consists of residential or commercial
134 development;

135 (C) the area proposed for annexation requires the delivery of municipal-type services;
136 and

137 (D) the municipality has provided most or all of the municipal-type services to the area
138 for more than one year;

139 (ii) (A) the area to be annexed consists of one or more unincorporated islands within or
140 unincorporated peninsulas contiguous to the municipality, each of which has fewer than 800
141 residents; and

142 (B) the municipality has provided one or more municipal-type services to the area for
143 at least one year;

144 (iii) the area consists of:

145 (A) an unincorporated island within or an unincorporated peninsula contiguous to the
146 municipality; and

147 (B) for an area outside of the county of the first class proposed for annexation, no more
148 than 50 acres; or

149 (iv) (A) the area to be annexed consists only of one or more unincorporated islands in a
150 county of the second class;

151 (B) the area to be annexed is located in the expansion area of a municipality; and

152 (C) the county legislative body in which the municipality is located provides notice to
153 each property owner within the area to be annexed that the county legislative body will hold a
154 public hearing, no less than 15 days after the day on which the county legislative body provides
155 the notice, and may make a recommendation of annexation to the municipality whose
156 expansion area includes the area to be annexed after the public hearing.

157 ~~[(3) Notwithstanding Subsection 10-2-402(1)(b)(iii), (2), or (6), a municipality may~~
158 ~~annex an unincorporated area without an annexation petition or the consent of the county in~~
159 ~~which the area proposed for annexation is located, if:]~~

160 ~~[(a) the area proposed for annexation:]~~

161 ~~[(i) is located within a specified county;]~~

162 ~~[(ii) includes private real property that is located within a county that is not the county~~
163 ~~in which the proposed annexing municipality is located;]~~

164 ~~[(iii) includes real property that is:]~~

165 ~~[(A) owned by a public entity; and]~~

166 ~~[(B) located in the county in which the proposed annexing municipality is located; and]~~

167 ~~[(iv) does not include urban development;]~~

168 ~~[(b) any portion of the private real property described in Subsection (3)(a)(ii) is located~~
169 ~~within two miles of the proposed annexing municipality's boundary; and]~~

170 ~~[(c) each owner of private real property within the area proposed for annexation~~
171 ~~consents in writing to the proposed annexation.]~~

172 ~~[(4)]~~ (3) Notwithstanding Subsection 10-2-402(1)(b)(iii), a municipality may annex a
173 portion of an unincorporated island or unincorporated peninsula under this section, leaving
174 unincorporated the remainder of the unincorporated island or unincorporated peninsula, if:

175 (a) in adopting the resolution under Subsection ~~[(6)]~~ (5)(a) the municipal legislative
176 body determines that not annexing the entire unincorporated island or unincorporated peninsula
177 is in the municipality's best interest; and

178 (b) for an annexation of one or more unincorporated islands under Subsection (2)(b),
179 the entire island of unincorporated area, of which a portion is being annexed, complies with the
180 requirement of Subsection (2)(b)(ii) relating to the number of residents.

181 ~~[(5)]~~ (4) (a) This subsection applies only to an annexation within a county of the first
182 class.

183 (b) A county of the first class shall agree to an annexation if the majority of private
184 property owners within the area to be annexed give written consent to the annexation, in
185 accordance with Subsection ~~[(5)]~~ (4)(d), to the recorder of the annexing municipality.

186 (c) For purposes of Subsection ~~[(5)]~~ (4)(b), the majority of private property owners is
187 property owners who own:

188 (i) the majority of the total private land area within the area proposed for annexation;
189 and

190 (ii) private real property equal to at least 1/2 the value of private real property within
191 the area proposed for annexation.

192 (d) A property owner consenting to annexation shall indicate the property owner's
193 consent on a form which includes language in substantially the following form:

194 "Notice: If this written consent is used to proceed with an annexation of your property
195 in accordance with Utah Code Section 10-2-418, no public election is required by law to
196 approve the annexation. If you sign this consent and later decide you do not want to support
197 the annexation of your property, you may withdraw your signature by submitting a signed,

198 written withdrawal with the recorder or clerk of [name of annexing municipality]. If you
199 choose to withdraw your signature, you must do so no later than the close of the public hearing
200 on the annexation conducted in accordance with Utah Code Subsection 10-2-418~~(5)~~(4)(d).".

201 (e) A private property owner may withdraw the property owner's signature indicating
202 consent by submitting a signed, written withdrawal with the recorder or clerk no later than the
203 close of the public hearing held in accordance with Subsection ~~(6)~~ (5)(b).

204 ~~(6)~~ (5) The legislative body of each municipality intending to annex an area under
205 this section shall:

206 (a) adopt a resolution indicating the municipal legislative body's intent to annex the
207 area, describing the area proposed to be annexed; and

208 (b) hold a public hearing on the proposed annexation no earlier than 30 days after the
209 adoption of the resolution described in Subsection ~~(6)~~ (5)(a).

210 ~~(7)~~ (6) A legislative body described in Subsection ~~(6)~~ (5) shall publish notice of a
211 public hearing described in Subsection ~~(6)~~ (5)(b):

212 (a) (i) at least once a week for three successive weeks before the public hearing in a
213 newspaper of general circulation within the municipality and the area proposed for annexation;

214 (ii) if there is no newspaper of general circulation in the combined area described in
215 Subsection ~~(7)~~ (6)(a)(i), at least three weeks before the day of the public hearing, by posting
216 one notice, and at least one additional notice per 2,000 population in the combined area, in
217 places within the combined area that are most likely to give notice to the residents within, and
218 the owners of real property located within, the combined area; or

219 (iii) at least three weeks before the day of the public hearing, by mailing notice to each
220 residence within, and each owner of real property located within, the combined area described
221 in Subsection ~~(7)~~ (6)(a)(i);

222 (b) on the Utah Public Notice Website created in Section 63F-1-701, for three weeks
223 before the day of the public hearing;

224 (c) in accordance with Section 45-1-101, for three weeks before the day of the public
225 hearing;

226 (d) by sending written notice to:

227 (i) the board of each local district and special service district whose boundaries contain

228 some or all of the area proposed for annexation; and

229 (ii) the legislative body of the county in which the area proposed for annexation is

230 located; and

231 (e) if the municipality has a website, on the municipality's website for three weeks

232 before the day of the public hearing.

233 ~~[(8)]~~ (7) The legislative body of the annexing municipality shall ensure that:

234 (a) each notice described in Subsection ~~[(7)]~~ (6):

235 (i) states that the municipal legislative body has adopted a resolution indicating the

236 municipality's intent to annex the area proposed for annexation;

237 (ii) states the date, time, and place of the public hearing described in Subsection ~~[(6)]~~

238 ~~(5)~~(b);

239 (iii) describes the area proposed for annexation; and

240 (iv) except for an annexation that meets the requirements of Subsection ~~[(9)]~~ (8)(b) or

241 (c), states in conspicuous and plain terms that the municipal legislative body will annex the

242 area unless, at or before the public hearing described in Subsection ~~[(6)]~~ ~~(5)~~(b), written protests

243 to the annexation are filed by the owners of private real property that:

244 (A) is located within the area proposed for annexation;

245 (B) covers a majority of the total private land area within the entire area proposed for

246 annexation; and

247 (C) is equal in value to at least 1/2 the value of all private real property within the

248 entire area proposed for annexation; and

249 (b) the first publication of the notice described in Subsection ~~[(7)]~~ ~~(6)~~(a) occurs within

250 14 days after the day on which the municipal legislative body adopts a resolution under

251 Subsection ~~[(6)]~~ ~~(5)~~(a).

252 ~~[(9)]~~ (8) (a) Except as provided in Subsections ~~[(9)]~~ (8)(b)(i) and ~~[(9)]~~ (8)(c)(i), upon

253 conclusion of the public hearing described in Subsection ~~[(6)]~~ ~~(5)~~(b), the municipal legislative

254 body may adopt an ordinance approving the annexation of the area proposed for annexation
255 under this section unless, at or before the hearing, written protests to the annexation have been
256 filed with the recorder or clerk of the municipality by the owners of private real property that:

- 257 (i) is located within the area proposed for annexation;
- 258 (ii) covers a majority of the total private land area within the entire area proposed for
259 annexation; and
- 260 (iii) is equal in value to at least 1/2 the value of all private real property within the
261 entire area proposed for annexation.

262 (b) (i) Notwithstanding Subsection ~~[(9)]~~ (8)(a), upon conclusion of the public hearing
263 described in Subsection ~~[(6)]~~ (5)(b), a municipality may adopt an ordinance approving the
264 annexation of the area proposed for annexation under this section without allowing or
265 considering protests under Subsection ~~[(9)]~~ (8)(a) if ~~[(A)]~~ the owners of at least 75% of the
266 total private land area within the entire area proposed for annexation, representing at least 75%
267 of the value of the private real property within the entire area proposed for annexation, have
268 consented in writing to the annexation~~[-or].~~

269 ~~[(B) the annexation meets the requirements of Subsection (3).]~~

270 (ii) Upon the effective date under Section 10-2-425 of an annexation approved by an
271 ordinance adopted under Subsection ~~[(9)]~~ (8)(b)(i), the area annexed is conclusively presumed
272 to be validly annexed.

273 (c) (i) Notwithstanding Subsection ~~[(9)]~~ (8)(a), upon conclusion of the public hearing
274 described in Subsection ~~[(6)]~~ (5)(b), a municipality may adopt an ordinance approving the
275 annexation of an area that the county legislative body proposes for annexation under this
276 section without allowing or considering protests under Subsection ~~[(9)]~~ (8)(a) if the county
277 legislative body has formally recommended annexation to the annexing municipality and has
278 made a formal finding that:

- 279 (A) the area to be annexed can be more efficiently served by the municipality than by
280 the county;
- 281 (B) the area to be annexed is not likely to be naturally annexed by the municipality in

282 the future as the result of urban development;

283 (C) annexation of the area is likely to facilitate the consolidation of overlapping
284 functions of local government; and

285 (D) annexation of the area is likely to result in an equitable distribution of community
286 resources and obligations.

287 (ii) The county legislative body may base the finding required in Subsection [~~(9)~~]
288 (8)(c)(i)(B) on:

289 (A) existing development in the area;

290 (B) natural or other conditions that may limit the future development of the area; or

291 (C) other factors that the county legislative body considers relevant.

292 (iii) A county legislative body may make the recommendation for annexation required
293 in Subsection [~~(9)~~] (8)(c)(i) for only a portion of an unincorporated island if, as a result of
294 information provided at the public hearing, the county legislative body makes a formal finding
295 that it would be equitable to leave a portion of the island unincorporated.

296 (iv) If a county legislative body has made a recommendation of annexation under
297 Subsection [~~(9)~~] (8)(c)(i):

298 (A) the relevant municipality is not required to proceed with the recommended
299 annexation; and

300 (B) if the relevant municipality proceeds with annexation, the municipality shall annex
301 the entire area that the county legislative body recommended for annexation.

302 (v) Upon the effective date under Section [10-2-425](#) of an annexation approved by an
303 ordinance adopted under Subsection [~~(9)~~] (8)(c)(i), the area annexed is conclusively presumed
304 to be validly annexed.

305 [~~(10)~~] (9) (a) Except as provided in Subsections [~~(9)~~] (8)(b)(i) and [~~(9)~~] (8)(c)(i), if
306 protests are timely filed under Subsection [~~(9)~~] (8)(a), the municipal legislative body may not
307 adopt an ordinance approving the annexation of the area proposed for annexation, and the
308 annexation proceedings under this section shall be considered terminated.

309 (b) Subsection [~~(10)~~] (9)(a) does not prohibit the municipal legislative body from

310 excluding from a proposed annexation under Subsection (2)(b) the property within an
311 unincorporated island regarding which protests have been filed and proceeding under
312 Subsection ~~[(4)]~~ (3) to annex some or all of the remaining portion of the unincorporated island.

313 Section 3. Section **17B-1-503** is amended to read:

314 **17B-1-503. Withdrawal or boundary adjustment with municipal approval.**

315 (1) A municipality and a local district whose boundaries adjoin or overlap may adjust
316 the boundary of the local district to include more or less of the municipality, including the
317 expansion area identified in the annexation policy plan adopted by the municipality under
318 Section **10-2-401.5**, in the local district by following the same procedural requirements as set
319 forth in Section **17B-1-417** for boundary adjustments between adjoining local districts.

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

326 (b) For a valid withdrawal described in Subsection (2)(a):

327 (i) the annexation petition under Section **10-2-403** or a separate consent, signed by
328 owners of at least 60% of the total private land area, shall state that the signers request the area
329 to be withdrawn from the municipal services district; and

330 (ii) the legislative body of the municipality shall adopt a resolution, which may be the
331 resolution adopted in accordance with Subsection **10-2-418**~~[(6)]~~(5)(a), stating the municipal
332 legislative body's intent to withdraw the area from the municipal services district.

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

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

337 (i) may hold a public hearing in accordance with the notice and public hearing

338 provisions of Section 17B-1-508;

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

342 (iii) identify in writing the information upon which the board of trustees relies in
343 approving or rejecting the withdrawal.

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

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

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

355 (ii) the annexation petition under Section 10-2-403, or a separate petition meeting the
356 same signature requirements, states that the signers request the area to be withdrawn from the
357 municipal services district; or

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

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

360 (B) owners of private land equal in assessed value to more than 60% of the assessed
361 value of all private real property within the area proposed for withdrawal have consented in
362 writing to the withdrawal.

363 (f) If the board of trustees of the municipal services district does not make any of the
364 findings described in Subsection (2)(e), the board of trustees may approve or reject the
365 withdrawal based upon information upon which the board of trustees relies and that the board

366 of trustees identifies in writing.

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

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

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

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

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

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

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

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

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

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

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

388 (C) any other documentation required by law.

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

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

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

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

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

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

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

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

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