Representative A. Cory Maloy proposes the following substitute bill:

1	MUNICIPALITY INCORPORATION AMENDMENTS
2	2023 GENERAL SESSION
3	STATE OF UTAH
4	Chief Sponsor: Evan J. Vickers
5	House Sponsor: A. Cory Maloy
6 7	LONG TITLE
8	General Description:
9	This bill amends provisions related to incorporating a municipality.
10	Highlighted Provisions:
11	This bill:
12	 defines terms;
13	 modifies the procedures and requirements for incorporating a municipality;
14	 modifies the procedures and requirements to request exclusion from an area
15	proposed for incorporation;
16	 establishes a procedure and requirements for requesting inclusion in an area
17	proposed for incorporation;
18	 transfers many of the duties currently fulfilled by the lieutenant governor, in relation
19	to municipal incorporation, to the county of the area proposed for incorporation;
20	 describes the duties of the lieutenant governor in relation to municipal
21	incorporation;
22	 provides for transition to the new incorporation process for a municipality; and
23	 makes technical and conforming changes.
24	Money Appropriated in this Bill:
25	None

26	Other Special Clauses:
27	This bill provides revisor instructions.
28	This bill coordinates provides a coordination clause.
29	Utah Code Sections Affected:
30	AMENDS:
31	10-2-402, as last amended by Laws of Utah 2021, Chapter 112
32	10-2a-102, as last amended by Laws of Utah 2019, Chapter 165
33	10-2a-103, as last amended by Laws of Utah 2015, Chapters 111, 157 and renumbered
34	and amended by Laws of Utah 2015, Chapter 352
35	10-2a-104, as renumbered and amended by Laws of Utah 2015, Chapter 352
36	10-2a-106, as last amended by Laws of Utah 2019, Chapter 165 and further amended
37	by Revisor Instructions, Laws of Utah 2019, Chapter 165
38	10-2a-201.5, as last amended by Laws of Utah 2021, Chapter 112
39	10-2a-202, as last amended by Laws of Utah 2019, Chapter 165
40	10-2a-204, as last amended by Laws of Utah 2019, Chapter 165
41	10-2a-205, as last amended by Laws of Utah 2019, Chapter 165
42	10-2a-206, as last amended by Laws of Utah 2021, Chapter 112
43	10-2a-207, as last amended by Laws of Utah 2021, Chapters 84, 112, 345, and 355
44	10-2a-208, as last amended by Laws of Utah 2019, Chapter 165
45	10-2a-209, as last amended by Laws of Utah 2019, Chapter 165
46	10-2a-210, as last amended by Laws of Utah 2021, First Special Session, Chapter 15
47	10-2a-213, as last amended by Laws of Utah 2021, First Special Session, Chapter 15
48	10-2a-214, as last amended by Laws of Utah 2021, First Special Session, Chapter 15
49	10-2a-220, as last amended by Laws of Utah 2019, Chapter 165
50	ENACTS:
51	10-2a-204.3, Utah Code Annotated 1953
52	RENUMBERS AND AMENDS:
53	10-2a-204.5, (Renumbered from 10-2a-203, as last amended by Laws of Utah 2021,
54	Chapter 112)
55	REPEALS:
56	10-2a-101, as enacted by Laws of Utah 2015, Chapter 352

57	10-2a-201, as last amended by Laws of Utah 2019, Chapter 165
58	Utah Code Sections Affected by Revisor Instructions:
59	10-2a-106, as last amended by Laws of Utah 2019, Chapter 165 and further amended
60	by Revisor Instructions, Laws of Utah 2019, Chapter 165
61	Utah Code Sections Affected by Coordination Clause:
62	10-2a-207, as last amended by Laws of Utah 2021, Chapters 84, 112, 345, and 355
63	10-2a-213, as last amended by Laws of Utah 2021, First Special Session, Chapter 15
64 65	Be it enacted by the Legislature of the state of Utah:
66	Section 1. Section 10-2-402 is amended to read:
67	10-2-402. Annexation Limitations.
68	(1) (a) A contiguous, unincorporated area that is contiguous to a municipality may be
69	annexed to the municipality as provided in this part.
70	(b) Except as provided in Subsection (1)(c), an unincorporated area may not be
71	annexed to a municipality unless:
72	(i) the unincorporated area is a contiguous area;
73	(ii) the unincorporated area is contiguous to the municipality;
74	(iii) annexation will not leave or create an unincorporated island or unincorporated
75	peninsula:
76	(A) except as provided in Subsection 10-2-418(3); or
77	(B) unless the county and municipality have otherwise agreed; and
78	(iv) for an area located in a specified county, the area is within the proposed annexing
79	municipality's expansion area.
80	(c) A municipality may annex an unincorporated area within a specified county that
81	does not meet the requirements of Subsection (1)(b), leaving or creating an unincorporated
82	island or unincorporated peninsula, if:
83	(i) the area is within the annexing municipality's expansion area;
84	(ii) the specified county in which the area is located and the annexing municipality
85	agree to the annexation;
86	(iii) the area is not within the area of another municipality's annexation policy plan,
87	unless the other municipality agrees to the annexation; and

 (2) Except as provided in Section 10-2-418, a municipality may not annex an unincorporated area unless a petition under Section 10-2-403 is filed requesting annexatio (3) (a) An annexation under this part may not include part of a parcel of real prop and exclude part of that same parcel unless the owner of that parcel has signed the annexa petition under Section 10-2-403. (b) A piece of real property that has more than one parcel number is considered to single parcel for purposes of Subsection (3)(a) if owned by the same owner. (4) A municipality may not annex an unincorporated area in a specified county fo sole purpose of acquiring municipal revenue or to retard the capacity of another municipa annex the same or a related area unless the municipality has the ability and intent to benef annexed area by providing municipal services to the annexed area. (5) (a) As used in this subsection, "expansion area urban development" means: (i) for a specified county, urban development within a city or town's expansion are (ii) for a county of the first class, urban development within a city or town's expansion are (b) requires the county to change the zoning designation of the land on which the (c) does not include commercial or industrial development that is located within mining protection area as defined in Section 17-41-101, regardless of whether the comme or industrial development is for a mining use as defined in Section 17-41-101. 	
 (3) (a) An annexation under this part may not include part of a parcel of real prop and exclude part of that same parcel unless the owner of that parcel has signed the annexal petition under Section 10-2-403. (b) A piece of real property that has more than one parcel number is considered to single parcel for purposes of Subsection (3)(a) if owned by the same owner. (4) A municipality may not annex an unincorporated area in a specified county fo sole purpose of acquiring municipal revenue or to retard the capacity of another municipal annex the same or a related area unless the municipality has the ability and intent to benef annexed area by providing municipal services to the annexed area. (5) (a) As used in this subsection, "expansion area urban development" means: (i) for a specified county, urban development within a city or town's expansion are (ii) for a county of the first class, urban development within a city or town's expansion (A) consists of 50 or more acres; (B) requires the county to change the zoning designation of the land on which the urban development is located; and (C) does not include commercial or industrial development that is located within mining protection area as defined in Section 17-41-101, regardless of whether the comme 	
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110 (b) A county legislative body may not approve expansion area urban development	
110 (0) A county registrative body may not approve expansion area urban development	t
111 unless:	
(i) the county notifies the city or town of the proposed development; and	
(ii) (A) the city or town consents in writing to the development;	
(B) within 90 days after the county's notification of the proposed development, th	e city
or town submits to the county a written objection to the county's approval of the proposed	1
116 development and the county responds in writing to the city or town's objection; or	
117 (C) the city or town fails to respond to the county's notification of the proposed	
(c) the end of town rans to respond to the county's notification of the proposed	

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119 (6) (a) As used in this Subsection (6), "airport" means an area that the Federal Aviation Administration has, by a record of decision, approved for the construction or operation of a 120 121 Class I. II. or III commercial service airport, as designated by the Federal Aviation 122 Administration in 14 C.F.R. Part 139. 123 (b) A municipality may not annex an unincorporated area within 5,000 feet of the 124 center line of any runway of an airport operated or to be constructed and operated by another 125 municipality unless the legislative body of the other municipality adopts a resolution 126 consenting to the annexation. 127 (c) A municipality that operates or intends to construct and operate an airport and does 128 not adopt a resolution consenting to the annexation of an area described in Subsection (6)(b) 129 may not deny an annexation petition proposing the annexation of that same area to that 130 municipality. 131 (7) (a) As used in this Subsection (7), "project area" means a project area as defined in Section 63H-1-102 that is in a project area plan as defined in Section 63H-1-102 adopted by 132 133 the Military Installation Development Authority under Title 63H, Chapter 1, Military 134 Installation Development Authority Act. 135 (b) A municipality may not annex an unincorporated area located within a project area 136 without the authority's approval. 137 (c) (i) Except as provided in Subsection (7)(c)(ii), the Military Installation 138 Development Authority may petition for annexation of the following areas to a municipality as 139 if the Military Installation Development Authority was the sole private property owner within 140 the area: 141 (A) an area within a project area; 142 (B) an area that is contiguous to a project area and within the boundaries of a military 143 installation; 144 (C) an area owned by the Military Installation Development Authority; and 145 (D) an area that is contiguous to an area owned by the Military Installation 146 Development Authority that the Military Installation Development Authority plans to add to an 147 existing project area. 148 (ii) If any portion of an area annexed under a petition for annexation filed by the 149 Military Installation Development Authority is located in a specified county:

- 5 -

150	(A) the annexation process shall follow the requirements for a specified county; and
151	(B) the provisions of Section 10-2-402.5 do not apply.
152	(8) A municipality may not annex an unincorporated area if:
153	(a) the area is proposed for incorporation $in[\frac{\cdot}{\cdot}(i)]$ a feasibility study conducted under
154	Section 10-2a-205[; or (ii)] or a supplemental feasibility study conducted under Section
155	10-2a-206; <u>and</u>
156	(b) the [lieutenant governor] county clerk completes the [first] second public hearing
157	on the proposed incorporation under Subsection 10-2a-207(4)[; and].
158	[(c) the time period for a specified landowner, as defined in Section 10-2a-203, to
159	request that the lieutenant governor exclude the specified landowner's property from the
160	proposed incorporation under Subsection 10-2a-207(5)(a) has expired.]
161	Section 2. Section 10-2a-102 is amended to read:
162	10-2a-102. Definitions.
163	(1) As used in this part and Part 2, Incorporation of a Municipality:
164	(a) "Contact sponsor" means the person designated in the feasibility request as the
165	contact sponsor under Subsection 10-2a-202(2)(d).
166	(b) (i) "Contiguous" means, except as provided in Subsection (1)(b)(ii), the same as
167	that term is defined in Section 10-1-104.
168	(ii) "Contiguous" does not include a circumstance where:
169	(A) two areas of land are only connected by a strip of land between geographically
170	separate areas; and
171	(B) the distance between the geographically separate areas described in Subsection
172	(1)(b)(ii)(A) is greater than the average width of the strip of land connecting the geographically
173	separate areas.
174	[(a)] (c) "Feasibility consultant" means a person or firm:
175	(i) with expertise in the processes and economics of local government; and
176	(ii) who is independent of and not affiliated with a county or sponsor of a petition to
177	incorporate.
178	(d) "Feasibility request" means a request, described in Section 10-2a-202, for a
179	feasibility study for the proposed incorporation of a municipality.
180	[(b)] (e) (i) "Municipal service" means any of the following that are publicly provided:

181	(A) culinary water;
182	(B) secondary water;
183	(C) sewer service;
184	(D) storm drainage or flood control;
185	(E) recreational facilities or parks;
186	(F) electrical power generation or distribution;
187	(G) construction or maintenance of local streets and roads;
188	(H) street lighting;
189	(I) curb, gutter, and sidewalk maintenance;
190	(J) law or code enforcement service;
191	(K) fire protection service;
192	(L) animal services;
193	(M) planning and zoning;
194	(N) building permits and inspections;
195	(O) refuse collection; or
196	(P) weed control.
197	(ii) "Municipal service" includes the physical facilities required to provide a service
198	described in Subsection $\left[\frac{(1)(b)(i)}{(1)(e)(i)}\right]$
199	[(c)] (f) "Private," with respect to real property, means taxable property.
200	(2) For purposes of this part:
201	(a) the owner of real property shall be the record title owner according to the records of
202	the county recorder on the date of the filing of the feasibility request or petition for
203	incorporation; and
204	(b) the assessed fair market value of private real property shall be determined
205	according to the last assessment roll for county taxes before the filing of the feasibility request
206	or petition for incorporation.
207	(3) For purposes of each provision of this part that requires the owners of private real
208	property covering a percentage or fraction of the total private land area within an area to sign a
209	feasibility request or a petition for incorporation:
210	(a) a parcel of real property may not be included in the calculation of the required
211	percentage or fraction unless the feasibility request or petition for incorporation is signed by:

212	(i) except as provided in Subsection (3)(a)(ii), owners representing a majority
213	ownership interest in that parcel; or
214	(ii) if the parcel is owned by joint tenants or tenants by the entirety, 50% of the number
215	of owners of that parcel;
216	(b) the signature of a person signing a <u>feasibility</u> request or <u>a</u> petition <u>for incorporation</u>
217	in a representative capacity on behalf of an owner is invalid unless:
218	(i) the person's representative capacity and the name of the owner the person represents
219	are indicated on the <u>feasibility</u> request or petition <u>for incorporation</u> with the person's signature;
220	and
221	(ii) the person provides documentation accompanying the feasibility request or petition
222	for incorporation that substantiates the person's representative capacity; and
223	(c) subject to Subsection (3)(b), a duly appointed personal representative may sign a
224	feasibility request or a petition for incorporation on behalf of a deceased owner.
225	Section 3. Section 10-2a-103 is amended to read:
226	10-2a-103. Incorporation of a contiguous area Incorporation involving more
227	than one county.
228	(1) A contiguous area of a county not within a municipality may incorporate as a
229	municipality as provided in this chapter.
230	(2) If a proposed incorporation relates to an area in more than one county:
231	(a) the individual who files the feasibility request shall file the request with each
232	county containing a portion of the area proposed for incorporation; and
233	(b) the counties shall work together, in accordance with direction given by the
234	lieutenant governor, to complete the actions required by this chapter.
235	Section 4. Section 10-2a-104 is amended to read:
236	10-2a-104. Elections governed by the Election Code.
237	Except as otherwise provided in this chapter, each election under this chapter [shall be]
238	is governed by the provisions of Title 20A, Election Code.
239	Section 5. Section 10-2a-106 is amended to read:
240	10-2a-106. Feasibility request filed before changes to law take effect.
241	
211	[(1) If a request for a feasibility study to incorporate a city is filed under Section

243	hearing, election, and any other city incorporation action applicable to that request shall be
244	filed with and be acted upon, held, processed, or paid for by the county legislative body or
245	county clerk, as applicable, as designated, directed, or authorized before Laws of Utah 2015,
246	Chapter 157, takes effect.]
247	[(2) If a petition to incorporate a town is filed before May 12, 2015, the petition and a
248	subsequent feasibility study, petition, public hearing, election, and any other town
249	incorporation action applicable to that petition to incorporate shall be filed with and be acted
250	upon, held, processed, or paid for by the county legislative body or county clerk, as applicable,
251	as designated, directed, or authorized before Laws of Utah 2015, Chapter 157, takes effect.]
252	[(3)] (1) If an individual files a [request for a feasibility study for the incorporation of a
253	city, or an application for an incorporation petition for the incorporation of a] feasibility request
254	for incorporation of a city or town[,] before May 14, 2019, the process for incorporating [that]
255	the city or town [under that request or application] is not subject to Laws of Utah 2019,
256	Chapter 165 or this bill, and is instead subject to the municipal incorporation law in effect on
257	the day on which the individual files the feasibility request.
258	(2) If an individual files a feasibility request for incorporation of a city or town before
259	May 3, 2023, the process for incorporating the city or town is not subject to this bill, and is
260	subject to the municipal incorporation law in effect on the day on which the individual files the
261	feasibility request.
262	Section 6. Section 10-2a-201.5 is amended to read:
263	10-2a-201.5. Qualifications for incorporation.
264	(1) (a) An area may incorporate as a town in accordance with this part if the area:
265	(i) [subject to Subsection (1)(c),] is contiguous;
266	(ii) has a population of at least 100 people, but fewer than 1,000 people; and
267	(iii) is not already part of a municipality.
268	(b) An area may incorporate as a city in accordance with this part if the area:
269	(i) [subject to Subsection (1)(c),] is contiguous;
270	(ii) has a population of 1,000 people or more; and
271	(iii) is not already part of a municipality.
272	[(c) An area is not contiguous for purposes of Subsection (1)(a)(i) or (b)(i) if:]
273	[(i) the area includes a strip of land that connects geographically separate areas; and]

274	[(ii) the distance between the geographically separate areas is greater than the average
275	width of the strip of land connecting the geographically separate areas.]
276	(2) (a) An area may not incorporate under this part if:
277	(i) the area has a population of fewer than 100 people; or
278	(ii) except as provided in Subsection (2)(b), the area has an average population density
279	of fewer than seven people per square mile.
280	(b) [Subject to Subsection (1)(c), an area that does not comply with Subsection
281	(2)(a)(ii) may incorporate under this part if the] Subsection (2)(a)(ii) does not prohibit
282	incorporation of an area if:
283	(i) noncompliance with Subsection $(2)(a)(ii)$ is necessary to connect separate areas that
284	share a demonstrable community interest[-]; and
285	(ii) the area is contiguous.
286	(3) [Subject to Subsection (1)(c), an] An area incorporating under this part may not
287	include land owned by the United States federal government unless:
288	(a) the area, including the land owned by the United States federal government, is
289	contiguous; and
290	(b) $[(a)]$ (i) incorporating the land is necessary to connect separate areas that share a
291	demonstrable community interest; or
292	[(b)] (ii) excluding the land from the incorporating area would create an unincorporated
293	island within the proposed municipality.
294	(4) (a) Except as provided in Subsection (4)(b), an area incorporating under this part
295	may not include some or all of an area proposed for annexation in an annexation petition under
296	Section 10-2-403 that:
297	(i) was filed before the filing of the request for a feasibility study, described in Section
298	10-2a-202, relating to the incorporating area; and
299	(ii) is still pending on the date the request for the feasibility study described in
300	Subsection (4)(a)(i) is filed.
301	(b) A [request for a feasibility study] feasibility request may propose for incorporation
302	an area that includes some or all of an area proposed for annexation in an annexation petition
303	described in Subsection (4)(a) if:
304	(i) the proposed annexation area that is part of the area proposed for incorporation does

205	not avaged 200/ of the area proposed for incomparation.
305	not exceed 20% of the area proposed for incorporation;
306	(ii) the <u>feasibility</u> request complies with Subsections 10-2a-202(1) [and (2)] <u>through</u>
307	(4) with respect to excluding the proposed annexation area from the area proposed for
308	incorporation; and
309	(iii) excluding the area proposed for annexation from the area proposed for
310	incorporation would not cause the area proposed for incorporation to not be contiguous [under
311	Subsection (1)(c)].
312	(c) Except as provided in Section 10-2a-206, the lieutenant governor shall consider
313	each <u>feasibility</u> request to which Subsection (4)(b) applies as not proposing the incorporation of
314	an area proposed for annexation.
315	(5) (a) An area incorporating under this part may not include part of a parcel of real
316	property and exclude part of that same parcel unless the owner of the parcel gives written
317	consent to exclude part of the parcel.
318	(b) A piece of real property that has more than one parcel number is considered to be a
319	single parcel for purposes of Subsection (5)(a) if owned by the same owner.
320	Section 7. Section 10-2a-202 is amended to read:
321	10-2a-202. Feasibility request Requirements Limitations.
322	(1) The process to incorporate a contiguous area of a county as a municipality is
323	initiated by an individual filing a [request for a feasibility study with the Office of the
324	Lieutenant Governor that:] feasibility request, with the county clerk of the county where the
325	area proposed to be incorporated is located, that includes:
326	(a) [is signed by] the signatures of the owners of private real property that:
327	(i) is located within the area proposed to be incorporated;
328	(ii) covers at least 10% of the total private land area within the area; and
329	(iii) is, as of January 1 of the current year, equal in assessed fair market value to at least
330	7% of the assessed fair market value of all private real property within the area; and
331	(b) [indicates] the typed or printed name and current residence address of each owner
332	signing the request[;].
333	(2) The feasibility request shall include:
334	[(c)] (a) [describes] a description of the contiguous area proposed to be incorporated as
335	a municipality;

336 [(d)] (b) [designates] a designation of up to five signers of the request as sponsors, one 337 of whom is designated as the contact sponsor, with the mailing address and telephone number 338 of each; [(e)] (c) [is accompanied by and circulated with] an accurate map or plat, prepared by a 339 340 licensed surveyor, showing a legal description of the boundaries of the proposed municipality; 341 and 342 [(f)] (d) [requests the lieutenant governor to] a request that the lieutenant governor commission a study to determine the feasibility of incorporating the area as a municipality. 343 344 (3) The individual described in Subsection (1) shall, on the day on which the individual 345 files the feasibility request with the county clerk, provide to the lieutenant governor: 346 (a) written notice that the individual filed the feasibility request that indicates the day 347 on which the individual filed the feasibility request; and 348 (b) a complete copy of the feasibility request. [(2)] (4) A feasibility request [for a feasibility study under this section] may not 349 350 propose for incorporation an area that includes some or all of an area that is the subject of a 351 completed feasibility study or supplemental feasibility study whose results comply with 352 Subsection [10-2a-205(6)(a)] 10-2a-205(5)(a) unless: 353 (a) the proposed incorporation that is the subject of the completed feasibility study or 354 supplemental feasibility study has been defeated by the voters at an election under Section 355 10-2a-210; or 356 (b) the time described in Subsection 10-2a-208(1) for filing an incorporation petition 357 based on the completed feasibility study or supplemental feasibility study has elapsed without 358 the sponsors filing an incorporation petition under Section 10-2a-208. 359 [(3)] (5) Sponsors may not file a feasibility request [under this section regarding] 360 relating to the incorporation of a town if the cumulative private real property that the sponsors 361 own exceeds 40% of the total private land area within the boundaries of the proposed town. 362 Section 8. Section 10-2a-204 is amended to read: 10-2a-204. Processing a feasibility request -- Certification or rejection --363 364 **Processing priority -- Determination by the Utah Population Committee.** 365 (1) Within 45 days after the day on which an individual files a feasibility request under 366 Section 10-2a-202, the [lieutenant governor] county clerk shall:

367	(a) [with the assistance of other county officers of the county in which the
368	incorporation is proposed from whom the lieutenant governor requests assistance;] determine
369	whether the <u>feasibility</u> request complies with Section 10-2a-202; and
370	(b) notify the lieutenant governor, in writing, of the determination made under
371	Subsection (1)(a) and the grounds for the determination.
372	(2) The county clerk:
373	(a) shall keep the lieutenant governor apprised of the county clerk's progress in making
374	the determination described in Subsection (1)(a); and
375	(b) may consult with the lieutenant governor in making the determination described in
376	Subsection (1)(a).
377	[(b)] (3) Within five days after the day on which the county clerk provides the
378	notification described in Subsection (1)(b), the lieutenant governor shall:
379	(a) review the determination and the grounds for the determination to evaluate whether
380	the feasibility request complies with Section 10-2a-202; and
381	(b) (i) uphold the determination;
382	(ii) reverse the determination; or
383	(iii) require the county clerk to provide additional information that the lieutenant
384	governor identifies as necessary for the lieutenant governor to uphold or reverse the county
385	clerk's determination.
386	(4) If the office requires the county clerk to provide additional information under
387	Subsection (3)(b)(iii):
388	(a) the county clerk shall provide the additional information to the office within five
389	days after the day on which the office notifies the county clerk that the additional information
390	is required; and
391	(b) the office shall, within five days after the day on which the county clerk provides
392	the additional information, uphold or reverse the determination of the county clerk described in
393	Subsection (1)(b).
394	[(i) if the lieutenant governor]
395	(5) If the lieutenant governor determines that the feasibility request complies with
396	Section 10-2a-202, the lieutenant governor shall:
397	[(A)] (a) certify the request;

398	[(B)] (b) transmit written notification of the certification to the contact sponsor; and
399	[(C)] (c) transmit written notification of the certification to the Utah Population
400	Committee[; or].
401	[(ii)] (6) [if the lieutenant governor] If the lieutenant governor determines that the
402	feasibility request fails to comply with Section 10-2a-202, the lieutenant governor shall reject
403	the feasibility request and notify the contact sponsor in writing of the rejection and the
404	[reasons] grounds for the rejection.
405	[(2)] (2) (a) Within 20 days after the day on which the lieutenant governor transmits
406	written notification under Subsection [(1)(b)(i)(C),] (5)(c), the Utah Population Committee
407	shall:
408	(i) determine whether, on the date the sponsors filed the <u>feasibility</u> request [under
409	Section 10-2a-202 for the proposed municipality], the proposed municipality complied with the
410	population, population density, and contiguity requirements described in Section 10-2a-201.5;
411	and
412	(ii) provide <u>notice of</u> the determination to the lieutenant governor <u>and the county clerk</u> .
413	(b) If the Utah Population Committee determines that a proposed municipality does not
414	comply with the population, population density, or contiguity requirements described in
415	Section 10-2a-201.5, the lieutenant governor shall rescind the certification described in
416	Subsection [(1)(b)(i)] (5)(a) and reject the [application in accordance with Subsection
417	(1)(b)(ii)] feasibility request.
418	[(3)] (8) The lieutenant governor shall certify or reject <u>feasibility</u> requests [under
419	Subsection (1)] in the order in which the requests are filed.
420	[(4)] (9) (a) $[(i)]$ If the lieutenant governor [rejects a request under Subsection
421	(1)(b)(ii)] determines that the feasibility request fails to comply with Section 10-2a-202, or
422	rejects the feasibility request under Subsection (7)(b), the sponsors may, subject to Section
423	10-2a-206, amend the feasibility request to correct the deficiencies [for which the lieutenant
424	governor rejected the request] and refile the feasibility request with the [lieutenant governor]
425	county clerk.
426	[(ii)] (b) The sponsors shall submit any amended feasibility request within 90 days
427	after the day on which the lieutenant governor [rejects the request under Subsection (1)(b)(ii)]
428	makes the determination or rejection described in Subsection (9)(a).

429	[(iii)] (c) The sponsors may reuse a signature described in Subsection
430	[10-2a-202(1)(a)] <u>10-2a-202(2)(a)</u> that is on a rejected <u>feasibility</u> request or on an amended
431	<u>feasibility</u> request described in Subsection [$(4)(a)(i)$] (9)(a).
432	[(b)] (d) The county clerk and the lieutenant governor shall consider a feasibility
433	request that is amended and refiled under Subsection $\left[\frac{(4)(a)}{(a)}\right]$ as a newly filed <u>feasibility</u>
434	request and process the feasibility request in accordance with [Subsection (3)] this section.
435	Section 9. Section 10-2a-204.3 is enacted to read:
436	<u>10-2a-204.3.</u> Notice to property owners First public hearing.
437	(1) Unless the lieutenant governor rescinds the certification under Subsection
438	10-2a-204(7)(b), the county clerk shall:
439	(a) hold the first public hearing in relation to the proposed incorporation, at a location
440	approved by the lieutenant governor, no later than 30 days after the day on which the county
441	clerk receives the notice described in Subsection 10-2a-204(7)(a)(ii);
442	(b) publish notice of the hearing in accordance with Subsection 10-2a-207(7); and
443	(c) within seven calendar days after the day on which the county clerk receives the
444	notice described in Subsection 10-2a-204(7)(a)(ii), mail written notice of the proposed
445	incorporation and of the first public hearing described in this section to:
446	(i) each residence within, and each owner of real property located within:
447	(A) the proposed incorporation boundaries; and
448	(B) 300 feet of the proposed incorporation boundaries;
449	(ii) the contact sponsor; and
450	(iii) the lieutenant governor.
451	(2) The written notice provided by the county clerk under Subsections (1)(b) and (c)
452	shall include:
453	(a) the following statement: "NOTICE OF PROPOSED INCORPORATION AND
454	FIRST PUBLIC HEARING You have received this notice because you reside or own property
455	within an area proposed for incorporation, or an area within 300 feet of an area proposed for
456	incorporation. The first public hearing in relation to the proposed incorporation will be held on
457	[insert date, time, and location]. The purpose of the first public hearing is to provide
458	information regarding the proposed incorporation, the incorporation process, including the
459	process for deciding whether to incorporate, and certain rights you may have in relation to the

460	proposed incorporation. A specified landowner, as defined in Utah Code Section 10-2a-204.5,
461	may, within 30 days after the day of the public hearing, request that the county clerk exclude all
462	or part of the specified landowner's land from the area proposed for incorporation. A specified
463	landowner may not request exclusion after the end of the 30-day period. Any owner of land
464	within a county where the area proposed for incorporation is located may, within 30 days after
465	the day of the public hearing, request that the county clerk include all or part of that land in the
466	area proposed for incorporation. An owner of land may not request inclusion after the end of
467	the 30-day period."; and
468	(b) a clear description of the area proposed for incorporation.
469	(3) Notwithstanding that the county conducts the first public hearing, the lieutenant
470	governor, or a designee of the lieutenant governor, shall:
471	(a) direct the proceedings at the first public hearing, with the assistance of the county
472	clerk as needed;
473	(b) provide information regarding the proposed incorporation, the incorporation
474	process, including the process for deciding whether to incorporate, and the rights citizens may
475	have in relation to the proposed incorporation;
476	(c) describe the process by which a specified landowner may request that the county
477	clerk exclude all or part of the specified landowner's land from the area proposed for
478	incorporation;
479	(d) describe the process by which an owner of land described in Subsection
480	10-2a-204.5(2)(b) may request that the county clerk include all or part of that land in the area
481	proposed for incorporation;
482	(e) describe the criteria for granting a request for exclusion or inclusion of land; and
483	(f) answer questions from individuals who attend the first public hearing.
484	(4) The contact sponsor, or an agent of the contact sponsor, and the county clerk, or an
485	employee of the county clerk designated by the county clerk, shall attend the first public
486	hearing.
487	(5) The county clerk shall:
488	(a) provide the location and equipment for the public hearing, subject to approval by
489	the lieutenant governor; and
490	(b) ensure compliance with the requirements of Title 52, Chapter 4, Open and Public

491	Meetings Act, in relation to the public hearing.
492	Section 10. Section 10-2a-204.5, which is renumbered from Section 10-2a-203 is
493	renumbered and amended to read:
494	[10-2a-203]. <u>10-2a-204.5.</u> Notice to owner of property Exclusion or
495	inclusion of property from or in proposed municipality.
496	(1) As used in this section:
497	[(a) "Assessed value" with respect to property means the value at which the property
498	would be assessed without regard to a valuation for agricultural use under Section 59-2-503.]
499	[(b)] (a) "Owner" means a person having an interest in real property, including an
500	affiliate, subsidiary, or parent company.
501	[(c)] (b) "Specified landowner" means a record owner of real property:
502	(i) who owns more than:
503	(A) 1% of the assessed fair market value, as of January 1 of the current year, of all
504	property within the boundaries of a proposed incorporation; or
505	(B) 10% of the total private land area within the boundaries of a proposed
506	incorporation; or
507	(ii) located in a mining protection area as defined in Section 17-41-101.
508	[(2) Within seven calendar days after the day on which an individual files a request for
509	a feasibility study under Section 10-2a-202, the lieutenant governor shall mail written notice of
510	the proposed incorporation to each residence within, and each owner of real property located
511	within:]
512	[(a) the proposed incorporation boundaries; and]
513	[(b) 300 feet of the proposed incorporation boundaries.]
514	[(3)] (2) [A specified landowner may, within] Within 30 calendar days after the day [on
515	which the specified landowner receives notice under Subsection (2),] of the first public hearing
516	described in Section 10-2a-204.3:
517	(a) a specified landowner may request that the [lieutenant governor] county clerk
518	exclude all or part of the [property] land owned by the specified landowner from the area
519	proposed for incorporation by filing a [notice of] request for exclusion with the [Office of the
520	Lieutenant Governor] county clerk that describes the [property] land for which the specified
501	

521 landowner requests exclusion; or

522	(b) any owner of land located within the county where the area proposed for
523	incorporation is located may file a request that all or part of that land be included in the area
524	proposed for incorporation by filing a request for inclusion with the county clerk that describes
525	the land that the landowner desires to include.
526	[(4)] (3) The [lieutenant governor] county clerk shall exclude the [property] land
527	identified by a specified landowner under Subsection $[(3)]$ (2)(a) from the proposed
528	incorporation boundaries unless the [lieutenant governor] county clerk finds by clear and
529	convincing evidence that:
530	(a) the exclusion will leave an unincorporated island within the proposed municipality;
531	and
532	(b) the [property] land receives from the county a majority of currently provided
533	municipal services.
534	(4) The county clerk shall include land identified by a landowner under Subsection
535	(2)(b) in the area proposed for incorporation unless the county clerk finds by clear and
536	convincing evidence that:
537	(a) the land will not be contiguous with the area of the proposed municipality, taking
538	into account other requests for inclusion or requests for exclusion received before the deadline
539	described in Subsection (2); or
540	(b) the inclusion will cause the area proposed for incorporation to violate a requirement
541	for incorporation described in this part.
542	(5) The county clerk shall:
543	(a) no earlier than 30 days after, but no later than 44 days after, the day of the first
544	public hearing described in Section 10-2a-204.3, make a determination on all timely requests
545	for exclusion or inclusion;
546	(b) forward to the lieutenant governor for review:
547	(i) all timely requests for exclusion or inclusion;
548	(ii) the county clerk's determination on each of the requests described in Subsection
549	<u>(5)(b)(i); and</u>
550	(iii) the reasons, including the supporting data, for each determination described in
551	Subsection (5)(b)(ii); and
552	[(5)] [(a)] (c) [Within] within five days after the day on which the lieutenant governor

553	makes a final determination on whether to include or exclude [a property] land under
554	Subsection [(4), the lieutenant governor] (7), the county clerk shall mail or transmit written
555	notice of whether the [property] land is included or excluded from the proposed incorporation
556	boundaries to:
557	(i) for a request for exclusion, the specified landowner that requested the [property's]
558	exclusion; [and]
559	(ii) for a request for inclusion, the owner of land that requested the inclusion; and
560	$\left[\frac{(iii)}{(iii)}\right]$ the contact sponsor.
561	[(b)] (6) [If the lieutenant governor makes a determination to include a property under
562	Subsection (4), the lieutenant governor] For a request for exclusion or inclusion that is denied,
563	the county clerk shall include, in the written notice described in Subsection $[(5)(a)]$ (5)(c), a
564	detailed explanation of the [lieutenant governor's determination] reason for the denial and the
565	facts supporting the denial.
566	(7) Within 14 days after the day on which the lieutenant governor receives the
567	information described in Subsection (5)(b) the lieutenant governor shall:
568	(a) review each determination;
569	(b) uphold or reverse each determination; and
570	(c) forward to the county clerk:
571	(i) the lieutenant governor's final determinations; and
572	(ii) if the lieutenant governor reverses a determination of the county clerk, the reason
573	for the reversal and the supporting facts.
574	Section 11. Section 10-2a-205 is amended to read:
575	10-2a-205. Feasibility study Feasibility study consultant Qualifications for
576	proceeding with incorporation.
577	[(1) Within 90 days after the day on which the lieutenant governor receives a request
578	that the lieutenant governor certifies under Subsection 10-2a-204(1)(b)(i), the lieutenant
579	governor shall engage a feasibility consultant selected, in accordance with Subsection (2), to
580	conduct a feasibility study.]
581	(1) Unless the lieutenant governor rescinds the certification under Subsection
582	10-2a-204(7)(b), the lieutenant governor shall, within 90 days after the day on which the
583	lieutenant governor certifies a feasibility request under Subsection 10-2a-204(5)(a), in

584	accordance with Subsection (2), engage a feasibility consultant to conduct a feasibility study.
585	(2) [(a)] The lieutenant governor shall:
586	(a) select a feasibility consultant in accordance with Title 63G, Chapter 6a, Utah
587	Procurement Code[.];
588	(b) [The lieutenant governor shall ensure that a feasibility consultant selected under
589	Subsection (2)(a)] ensure that the feasibility consultant:
590	(i) has expertise in the processes and economics of local government; and
591	(ii) is not affiliated with [: (A)] a sponsor of the feasibility [study] request [to which the
592	feasibility study relates; or (B)] or the county in which the proposed municipality is located[-];
593	and
594	[(3)] (c) [The lieutenant governor shall] require the feasibility consultant to:
595	[(a)] (i) submit a draft of the feasibility study to each applicable person with whom the
596	feasibility consultant is required to consult under Subsection $[(4)(c)]$ (3)(c) within 90 days after
597	the day on which the lieutenant governor engages the feasibility consultant to conduct the
598	study;
599	[(b)] (ii) allow each person to whom the consultant provides a draft under Subsection
600	[(3)(a)] (2)(c)(i) to review and provide comment on the draft;
601	[(c)] (iii) submit a completed feasibility study, including a one-page summary of the
602	results, to the following within 120 days after the day on which the lieutenant governor engages
603	the feasibility consultant to conduct the <u>feasibility</u> study:
604	[(i)] (A) the lieutenant governor;
605	[(ii)] (B) the county legislative body of the county in which the incorporation is
606	proposed;
607	[(iii)] (C) the contact sponsor; and
608	[(iv)] (D) each person to whom the consultant provided a draft under Subsection
609	[(3)(a)] (2)(c)(i); and
610	$\left[\frac{(d)}{(iv)}\right]$ attend the public hearings described in Section 10-2a-207 to present the
611	feasibility study results and respond to questions from the public.
612	[(4)] (3) (a) The feasibility [consultant shall ensure that the feasibility study includes]
613	study shall include:
614	(i) an analysis of the population and population density within the area proposed for

615 incorporation and the surrounding area; 616 (ii) the current and projected five-year demographics and tax base within the 617 boundaries of the proposed municipality and surrounding area, including household size and 618 income, commercial and industrial development, and public facilities; 619 (iii) subject to Subsection [(4)(b)] (3)(b), the current and five-year projected cost of 620 providing municipal services to the proposed municipality, including administrative costs; 621 (iv) assuming the same tax categories and tax rates as currently imposed by the county 622 and all other current service providers, the present and five-year projected revenue for the 623 proposed municipality; 624 (v) an analysis of the risks and opportunities that might affect the actual costs described 625 in Subsection $\left[\frac{(4)(a)(iii)}{(3)(a)(iii)}\right]$ (3)(a)(iii) or revenues described in Subsection $\left[\frac{(4)(a)(iv)}{(3)(a)(iv)}\right]$ (3)(a)(iv) 626 of the newly incorporated municipality; 627 (vi) an analysis of new revenue sources that may be available to the newly incorporated 628 municipality that are not available before the area incorporates, including an analysis of the 629 amount of revenues the municipality might obtain from those revenue sources; 630 (vii) the projected tax burden per household of any new taxes that may be levied within 631 the proposed municipality within five years after incorporation; 632 (viii) the fiscal impact of the municipality's incorporation on unincorporated areas, 633 other municipalities, local districts, special service districts, and other governmental entities in 634 the county; and 635 (ix) if the [lieutenant governor] county clerk excludes property from, or includes 636 property in, the proposed municipality under Section $\left[\frac{10-2a-203}{10-2a-204.5}\right]$, an update to the 637 map and legal description described in Subsection $\left[\frac{10-2a-202(1)(e)}{10-2a-202(2)(e)}\right]$ 638 (b) (i) [For purposes of Subsection (4)(a)(iii)] In calculating the projected costs under 639 Subsection (3)(a)(iii), the feasibility consultant shall assume the proposed municipality will 640 provide a level and quality of municipal services that fairly and reasonably approximate the 641 level and quality of municipal services that are provided to the area of the proposed 642 municipality at the time the feasibility consultant conducts the feasibility study. 643 (ii) In [determining the present] calculating the current cost of a municipal service 644 under Subsection (3)(a)(iii), the feasibility consultant shall consider: 645 (A) the amount it would cost the proposed municipality to provide the municipal

646 service for the first five years after the municipality's incorporation; and

647 (B) the current municipal service provider's present and five-year projected cost of648 providing the municipal service.

(iii) In calculating costs under Subsection [(4)(a)(iii)] (3)(a)(iii), the feasibility
 consultant shall account for inflation and anticipated growth.

651 (c) In conducting the feasibility study, the feasibility consultant shall consult with the 652 following before submitting a draft of the feasibility study under Subsection [(3)(a)](2)(c)(i):

(i) if the proposed municipality will include lands owned by the United States federal
government, the entity within the United States federal government that has jurisdiction over
the land;

(ii) if the proposed municipality will include lands owned by the state, the entity withinstate government that has jurisdiction over the land;

(iii) each entity that provides a municipal service to a portion of the proposedmunicipality; and

(iv) [any] each other special service district that provides services to a portion of the
 proposed municipality.

 $\begin{array}{ll} 662 & [(5)] (4) & \text{If the five-year projected revenues calculated under Subsection } [(4)(a)(iv)] \\ 663 & (3)(a)(iv) & \text{exceed the five-year projected costs calculated under Subsection } [(4)(a)(iii)] \\ 664 & (3)(a)(ii) & \text{by more than 5\%, the feasibility consultant shall project and report the expected} \\ 665 & \text{annual revenue surplus to the contact sponsor and the lieutenant governor.} \end{array}$

666 [(6)] (5) (a) Except as provided in Subsection [(6)(b)] (5)(b), if the results of the 667 feasibility study, or a supplemental feasibility study described in Section 10-2a-206, show that 668 the average annual amount of revenue calculated under Subsection [(4)(a)(iv)] (3)(a)(iv) does 669 not exceed the average annual cost calculated under Subsection [(4)(a)(iii)] (3)(a)(iii) by more 670 than 5%, the process to incorporate the area that is the subject of the feasibility study or 671 supplemental feasibility study may not proceed.

672 (b) The process to incorporate an area described in Subsection $[\frac{(6)(a)}{(2)}]$ (5)(a) may 673 proceed if a subsequent supplemental feasibility study conducted under Section 10-2a-206 for 674 the proposed incorporation demonstrates compliance with Subsection $[\frac{(6)(a)}{(2)}]$ (5)(a).

675 [(7)] (6) If the results of the feasibility study or revised feasibility study do not comply 676 with Subsection [(6)] (5), and if requested by the sponsors of the request, the feasibility

677	consultant shall, as part of the feasibility study or revised feasibility study, make
678	recommendations regarding how the boundaries of the proposed municipality may be altered to
679	comply with Subsection [(6)] (5).
680	[(8)] (7) The lieutenant governor shall post a copy of the feasibility study, and any
681	supplemental feasibility study described in Section 10-2a-206, on the lieutenant governor's
682	website and make a copy available for public review at the [Office of the Lieutenant Governor]
683	lieutenant governor's office.
684	Section 12. Section 10-2a-206 is amended to read:
685	10-2a-206. Modified feasibility request Supplemental feasibility study.
686	(1) (a) The sponsors of a feasibility [study] request may modify the request to alter the
687	boundaries of the proposed municipality and refile the modified feasibility request with the
688	[lieutenant governor] county clerk if:
689	(i) the results of the feasibility study do not comply with Subsection $\left[\frac{10-2a-205(6)(a)}{10-2a-205(6)(a)}\right]$
690	<u>10-2a-205(5)(a); or</u>
691	(ii) (A) the <u>feasibility</u> request complies with Subsection 10-2a-201.5(4)(b);
692	(B) the annexation petition described in Subsection 10-2a-201.5(4)(b) that proposed
693	the annexation of an area that is part of the area proposed for incorporation has been denied;
694	and
695	(C) an incorporation petition based on the <u>feasibility</u> request has not been filed[;].
696	[(iii) (A) the lieutenant governor completes the first public hearing described in
697	Subsection 10-2a-207(4); and]
698	[(B) property is excluded from the proposed municipality in accordance with
699	Subsection 10-2a-207(5)(b); or]
700	[(iv) before the time period for a specified landowner, as defined in Section 10-2a-203,
701	to request that the lieutenant governor exclude the specified landowner's property from the
702	proposed incorporation under Subsection 10-2a-207(5)(a) has expired, a municipal legislative
703	body:]
704	[(A) approves an annexation petition proposing the annexation of an area that is part of
705	the area proposed for incorporation under Section 10-2-407 or 10-2-408; or]
706	[(B) adopts an ordinance approving the annexation of an area that is part of the area
707	proposed for incorporation under Section 10-2-418.]

708	(b) (i) The sponsors of a feasibility [study] request may not file a modified request
709	under Subsection (1)(a)(i) more than 90 days after the day on which the feasibility consultant
710	submits the final results of the feasibility study under Subsection $\left[\frac{10-2a-205(3)(c)}{10-2a-205(3)(c)}\right]$
711	<u>10-2a-205(2)(c)(iii)</u> .
712	(ii) The sponsors of a <u>feasibility</u> request may not file a modified request under
713	Subsection (1)(a)(ii) more than 18 months after filing the original <u>feasibility</u> request under
714	Section 10-2a-202.
715	[(iii) The sponsors of a request may not file a modified request under Subsection
716	(1)(a)(iii) more than 90 days after the day on which the lieutenant governor mails or transmits
717	written notice under Subsection 10-2a-207(4)(c).]
718	[(iv) The sponsors of a request may not file a modified request under Subsection
719	(1)(a)(iv) more than 90 days after the day on which the municipal legislative body:]
720	[(A) approves the annexation petition under Section 10-2-407 or 10-2-408; or]
721	[(B) adopts the ordinance approving the annexation under Section 10-2-418.]
722	(c) (i) Subject to Subsection (1)(c)(ii), each modified <u>feasibility</u> request under
723	Subsection (1)(a) shall comply with Subsections 10-2a-202(1) [and (2)] through (4) and
724	Subsection 10-2a-201.5(4).
725	(ii) Notwithstanding Subsection (1)(c)(i), a signature on a feasibility request filed under
726	Section 10-2a-202 may be used toward fulfilling the signature requirement of Subsection
727	[10-2a-202(1)(a)] <u>10-2a-202(2)(a)</u> for the <u>feasibility</u> request as modified under Subsection
728	(1)(a), unless the modified <u>feasibility</u> request proposes the incorporation of an area that is more
729	than 20% larger or smaller than the area described by the original feasibility request in terms
730	of:
731	(A) private land area; or
732	(B) assessed fair market value of private real property, as of January 1 of the current
733	year.
734	[(2)] (d) Within 20 days after the [lieutenant governor's receipt of] day on which the
735	county clerk receives the modified request, the [lieutenant governor] county clerk and the
736	lieutenant governor shall follow the same procedure [under Subsection 10-2a-204(1)] described
737	in Subsections 10-2a-204(1) through (6) for the modified feasibility request as for an original
738	feasibility request.

739	$\left[\frac{(3)}{(2)}\right]$ The timely filing of a modified <u>feasibility</u> request under Subsection (1) gives
740	the modified feasibility request the same processing priority under Subsection [10-2a-204(3)]
741	<u>10-2a-204(8)</u> as the original <u>feasibility</u> request.
742	[(4)] (3) Within 10 days after the day on which the [lieutenant governor] county clerk
743	receives a modified <i>feasibility</i> request under Subsection (1)(a) that relates to a request for
744	which a feasibility study has already been completed, the lieutenant governor shall commission
745	the feasibility consultant who conducted the feasibility study to conduct a supplemental
746	feasibility study that accounts for the modified feasibility request.
747	$\left[\frac{(5)}{(4)}\right]$ The lieutenant governor shall require the feasibility consultant to:
748	(a) submit a draft of the supplemental feasibility study to each applicable person with
749	whom the feasibility consultant is required to consult under Subsection $\left[\frac{10-2a-205(4)(c)}{10-2a-205(4)(c)}\right]$
750	<u>10-2a-205(3)(c)</u> within 30 days after the day on which the feasibility consultant is engaged to
751	conduct the supplemental study;
752	(b) allow each person to whom the consultant provided a draft under Subsection
753	[(5)(a)] (4)(a) to review and provide comment on the draft; and
754	(c) submit a completed supplemental feasibility study, to the following within 45 days
755	after the day on which the feasibility consultant is engaged to conduct the feasibility study:
756	(i) the lieutenant governor;
757	(ii) the county legislative body of the county in which the incorporation is proposed;
758	(iii) the contact sponsor; and
759	(iv) each person to whom the consultant provided a draft under Subsection $[(5)(a)]$
760	<u>(4)(a)</u> .
761	[(6)] (5) (a) Subject to Subsection $[(6)(b)]$ (5)(b), if the results of the supplemental
762	feasibility study do not comply with Subsection $\left[\frac{10-2a-205(6)(a)}{10-2a-205(5)(a)}\right]$, the
763	sponsors may further modify the request in accordance with Subsection (1).
764	(b) Subsections $[(2), (4), and (5)] (1)(d), (5), and (6)$ apply to a modified <u>feasibility</u>
765	request described in Subsection [$(6)(a)$] (5)(a).
766	(c) The [Heutenant governor] county clerk shall consider a modified feasibility request
767	described in Subsection [(6)(a)] <u>(5)(a)</u> as an original <u>feasibility</u> request [for a feasibility study]
768	for purposes of determining the modified feasibility request's processing priority under
769	Subsection $[\frac{10-2a-204(3)}{10-2a-204(8)}]$.

770	Section 13. Section 10-2a-207 is amended to read:
771	10-2a-207. Additional public hearings on feasibility study results Notice of
772	hearings.
773	(1) As used in this section, "specified landowner" means the same as that term is
774	defined in Section [10-2a-203] <u>10-2a-204.5</u> .
775	(2) If the results of the feasibility study or supplemental feasibility study comply with
776	Subsection [10-2a-205(6)(a)] 10-2a-205(5)(a), the [lieutenant governor] county clerk shall,
777	after receipt of the results of the feasibility study or supplemental feasibility study, conduct
778	[two] additional public hearings in accordance with this section.
779	(3) (a) If an area proposed for incorporation is approved for annexation after the
780	feasibility study or supplemental feasibility study is conducted but before the [lieutenant
781	governor] county clerk conducts the [first] second public hearing under Subsection (4), the
782	[lieutenant governor] county clerk may not conduct the [first] second public hearing under
783	Subsection (4) unless:
784	(i) the sponsors of the feasibility study file a modified <u>feasibility</u> request [for a
785	feasibility study] in accordance with Section 10-2a-206; and
786	(ii) the results of the supplemental feasibility study comply with Subsection
787	$[\frac{10-2a-205(6)(a)}{10-2a-205(5)(a)}.$
788	(b) For purposes of Subsection $(3)(a)$, an area is approved for annexation if [a
789	condition described in Subsection 10-2a-206(1)(a)(iv) occurs] a municipal legislative body:
790	(i) approves an annexation petition proposing the annexation of an area that is part of
791	the area proposed for incorporation under Section 10-2-407 or 10-2-408; or
792	(ii) adopts an ordinance approving the annexation of an area that is part of the area
793	proposed for incorporation under Section 10-2-418.
794	(4) The [lieutenant governor] county clerk shall conduct the [first] second public
795	hearing:
796	(a) within 60 days after the day on which the [lieutenant governor] county clerk
797	receives the results under Subsection (2) or (3)(a)(ii);
798	(b) at a location approved by the lieutenant governor within or near the proposed
799	municipality; <u>and</u>
800	(c) to allow the feasibility consultant to present the results of the feasibility study[; and

801	(d) to] and inform the public about the results [of the feasibility study].
802	[(5) (a) Within 30 calendar days after the day on which the lieutenant governor
803	completes the first public hearing under Subsection (4), a specified landowner may request that
804	the lieutenant governor exclude all or part of the property owned by the specified landowner
805	from the proposed incorporation by filing a notice of exclusion with the Office of the
806	Lieutenant Governor that describes the property for which the specified landowner requests
807	exclusion.]
808	[(b) The lieutenant governor shall exclude the property identified by a specified
809	landowner under Subsection (5)(a) from the proposed incorporation boundaries unless the
810	lieutenant governor finds by clear and convincing evidence that:]
811	[(i) the exclusion will leave an unincorporated island within the proposed municipality;
812	and]
813	[(ii) the property receives from the county a majority of currently provided municipal
814	services.]
815	[(c) (i) Within five days after the day on which the lieutenant governor determines
816	whether to exclude property under Subsection (5)(b), the lieutenant governor shall mail or
817	transmit written notice of whether the property is included or excluded from the proposed
818	municipality to:]
819	[(A) the specified landowner that requested the property's exclusion; and]
820	[(B) the contact sponsor.]
821	[(ii) If the lieutenant governor makes a determination to include a property under
822	Subsection (5)(b), the lieutenant governor shall include, in the written notice described in
823	Subsection (5)(c)(i), a detailed explanation of the lieutenant governor's determination.]
824	[(d) (i) If the lieutenant governor excludes property from the proposed municipality
825	under Subsection (5)(b), or if an area proposed for incorporation is approved for annexation
826	within the time period for a specified landowner to request an exclusion under Subsection
827	(5)(a), the lieutenant governor may not conduct the second public hearing under Subsection (6),
828	unless:]
829	[(A) the sponsors of the feasibility study file a modified request for a feasibility study
830	in accordance with Section 10-2a-206; and]
831	[(B) the results of the supplemental feasibility study comply with Subsection

832	$\frac{10-2a-205(6)(a)}{10-2a-205(6)(a)}$
833	[(ii) For purposes of Subsection (5)(d)(i), an area is approved for annexation if a
834	condition described in Subsection 10-2a-206(1)(a)(iv) occurs.]
835	[(6) The lieutenant governor shall conduct the second public hearing:]
836	[(a) (i) within 30 days after the day on which the time period described in Subsection
837	(5)(a) expires, if Subsection (5)(d) does not apply; or]
838	[(ii) within 30 days after the day on which the lieutenant governor receives the results
839	of the supplemental feasibility study described in Subsection (5)(d)(i)(B), if Subsection (5)(d)
840	applies;]
841	[(b) within or near the proposed municipality; and]
842	[(c) to allow the feasibility consultant to present the results of and inform the public
843	about:]
844	[(i) the feasibility study presented to the public in the first public hearing under
845	Subsection (4), if Subsection (5)(d) does not apply; or]
846	[(ii) the supplemental feasibility study described in Subsection (5)(d)(i)(B), if
847	Subsection (5)(d) applies.]
848	(5) The county clerk shall:
849	(a) conduct an additional public hearing following each occasion when, after the day of
850	the second public hearing, the county clerk receives the results of a supplemental feasibility
851	study that comply with Subsection 10-2a-205(5); and
852	(b) hold the public hearing described in Subsection (5)(a):
853	(i) within 30 days after the day on which the county clerk receives the results of the
854	supplemental feasibility study;
855	(ii) at a location approved by the lieutenant governor within or near the proposed
856	municipality;
857	(iii) to inform the public that the feasibility presented to the public at the preceding
858	public hearing does not apply; and
859	(iv) to allow the feasibility consultant to present the results of the supplemental
860	feasibility study and inform the public about the results.
861	[(7)] (6) At each public hearing required under this section, the [lieutenant governor]
862	county clerk shall:

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863 (a) provide a map or plat of the boundary of the proposed municipality; 864 (b) provide a copy of the applicable feasibility study for public review; 865 (c) allow members of the public to express views about the proposed incorporation. 866 including views about the proposed boundaries; and 867 (d) allow the public to ask the feasibility consultant questions about the applicable 868 feasibility study. 869 [(8)] (7) The [lieutenant governor] county clerk shall publish notice of each public 870 hearing required under this section and Section 10-2a-204.3: 871 (a) (i) at least three weeks before the day of the public hearing, by posting one notice, and at least one additional notice per 2,000 population of the proposed municipality, in places 872 873 within the proposed municipality that are most likely to give notice to the residents within, and 874 the owners of real property located within, the proposed municipality; or 875 (ii) at least three weeks before the public hearing, by mailing notice to each residence within, and each owner of real property located within, the proposed municipality; 876 877 (b) on the Utah Public Notice Website created in Section 63A-16-601, for three weeks 878 before the day of the public hearing; and 879 (c) on the [lieutenant governor's] county's website for three weeks before the day of the 880 public hearing. 881 [(9)] (8) (a) Except as provided in Subsection [(9)(b),] (8)(b), for a hearing described in 882 this section, the notice described in Subsection [(8)] (7) shall: 883 (i) include the feasibility study summary described in Subsection $\left[\frac{10-2a-205(3)(c)}{10-2a-205(3)(c)}\right]$ 884 10-2a-205(2)(c)(iii); and 885 (ii) indicate that a full copy of the feasibility study is available on the [lieutenant 886 governor's] county's website and for inspection at the [Office of the Lieutenant Governor; and] 887 county clerk's office. 888 [(iii) indicate that under no circumstances may property be excluded or annexed from 889 the proposed incorporation after the time period specified in Subsection (5)(a) has expired, if 890 the notice is for the first public hearing under Subsection (4).] 891 (b) Instead of publishing the feasibility summary under Subsection $\left[\frac{(9)(a)(i)}{(i)}\right]$, the 892 lieutenant governor] (8)(a)(i), the county clerk may publish a statement that specifies the 893 following sources where a resident within, or the owner of real property located within, the

894	proposed municipality, may view or obtain a copy of the feasibility study:
895	(i) the lieutenant governor's website;
896	(ii) the county's website;
897	[(iii)] (iii) the physical address of the [Office of the Lieutenant Governor] county clerk's
898	office; and
899	[(iii)] (iv) a mailing address and telephone number.
900	Section 14. Section 10-2a-208 is amended to read:
901	10-2a-208. Petition for incorporation Requirements and form.
902	(1) At any time within one year after the day on which the [Hieutenant governor] county
903	clerk completes the public hearings [described in] required under Section 10-2a-207,
904	individuals within the proposed municipality may proceed with the incorporation process by
905	circulating, and submitting to the [lieutenant governor an incorporation] county clerk, a petition
906	for incorporation that, to be certified under Subsection 10-2a-209(1)(b)(i), is required to be
907	signed by:
908	(a) 10% of all registered voters within the area proposed to be incorporated as a
909	municipality, as of the [date] day on which the petition for incorporation is filed;
910	(b) if the petition for incorporation proposes the incorporation of a city, and subject to
911	Subsection (4), 10% of all registered voters within 90% of the voting precincts within the area
912	proposed to be incorporated as a city, as of the [date] day on which the petition for
913	incorporation is filed; and
914	(c) the owners of private real property that:
915	(i) is located within the proposed municipality;
916	(ii) covers at least 10% of the total private land area within the proposed municipality;
917	and
918	(iii) [is] on January 1 of the current year, was equal in assessed fair market value to at
919	least 7% of the assessed fair market value of all private real property within the proposed
920	municipality.
921	(2) The [petition sponsors shall ensure that the] petition for incorporation shall:
922	(a) [includes] include the typed or printed name and current residence address of each
923	voter [that] who signs the petition for incorporation;
024	(b) [describes] describe the area proposed to be incorporated as a municipality as

924 (b) [describes] describe the area proposed to be incorporated as a municipality, as

925	described in the feasibility [study] request or the modified feasibility request that complies with
926	Subsection $\left[\frac{10-2a-205(6)(a)}{10-2a-205(5)(a)};\right]$
927	(c) [states] state the proposed name for the proposed municipality;
928	(d) [designates] designate five signers of the petition for incorporation as petition
929	sponsors, one of whom is designated as the contact sponsor, with the mailing address and
930	telephone number of each;
931	(e) if the sponsors propose the incorporation of a city, [states] state that the signers of
932	the petition for incorporation appoint the sponsors, if the incorporation measure passes, to
933	represent the signers in:
934	(i) selecting the number of commission or council members the new city will have; and
935	(ii) drawing district boundaries for the election of council members, if the voters
936	decide to elect council members by district;
937	(f) [is] be accompanied by and circulated with an accurate plat or map, prepared by a
938	licensed surveyor, showing the boundaries of the proposed municipality; and
939	(g) substantially [complies] comply with and [is] be circulated in the following form:
940	PETITION FOR INCORPORATION OF (insert the proposed name of the proposed
941	municipality)
942	To the Honorable Lieutenant Governor and the [name of county legislative body]:
943	We, the undersigned registered voters within the area described in this petition for
944	incorporation, respectfully petition the lieutenant governor [to direct] and the county legislative
945	body to submit to the registered voters residing within the area described in this petition for
946	incorporation, at the next regular general election, the question of whether the area should
947	incorporate as a municipality. Each of the undersigned affirms that each has personally signed
948	this petition for incorporation and is a registered voter who resides within the described area,
949	and that the current residence address of each is correctly written after the signer's name. The
950	area proposed to be incorporated as a municipality is described as follows: []([insert an
951	accurate description of the area proposed to be incorporated[]]].
952	(3) (a) [A] Except as provided in Subsection (3)(b), a valid signature on a feasibility
953	request described in Section 10-2a-202 or a modified feasibility request described in Section
954	10-2a-206 may [not] be used toward fulfilling the signature requirement described in
955	Subsection (1)[: (a)] if the feasibility request notified the signer in conspicuous language that

956	the signature, unless withdrawn, would also be used for a petition for incorporation under this
957	section[; and].
958	(b) [unless] A signature described in Subsection (3)(a) may not be used toward
959	fulfilling the signature requirement described in Subsection (1) if the signer files with the
960	[lieutenant governor] county clerk a written withdrawal of the signature before the petition for
961	incorporation is filed with the county clerk under this section [with the lieutenant governor].
962	(4) (a) A signature does not qualify under Subsection (1)(b) if the signature is gathered
963	from a voting precinct that:
964	(i) except in a proposed municipality that will be a city of the fifth class, is not located
965	entirely within the boundaries of a proposed city; or
966	(ii) includes less than 50 registered voters.
967	(b) A voting precinct that is not located entirely within the boundaries of the proposed
968	city does not qualify as a voting precinct under Subsection (1)(b).
969	Section 15. Section 10-2a-209 is amended to read:
970	10-2a-209. Processing of petition by county clerk Certification or rejection
971	Petition modification.
972	(1) Within 45 days after the day on which $[an incorporation] \underline{a}$ petition <u>for</u>
973	incorporation is filed under Section 10-2a-208, the [lieutenant governor] county clerk shall:
974	(a) [with the assistance of other county officers of the county in which the
975	incorporation is proposed, and from whom the lieutenant governor requests assistance,]
976	determine whether the petition for incorporation complies with Section 10-2a-208; and
977	(b) (i) if the [lieutenant governor] county clerk determines that the petition for
978	incorporation complies with Section 10-2a-208, certify the petition for incorporation and notify
979	in writing the contact sponsor of the certification; or
980	(ii) if the [lieutenant governor] county clerk determines that the petition for
981	incorporation fails to comply with Section 10-2a-208, reject the petition for incorporation and
982	notify the contact sponsor in writing of the rejection and the reasons for the rejection.
983	(2) (a) If the [lieutenant governor] county clerk rejects a petition for incorporation
984	under Subsection (1)(b)(ii), the [petition] sponsors of the petition for incorporation may correct
985	the deficiencies for which the petition for incorporation was rejected and refile the petition for
986	incorporation with the [lieutenant governor] county clerk.

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987 (b) Notwithstanding the deadline described in Subsection 10-2a-208(1), the [petition] 988 sponsors of the petition for incorporation may file a modified petition for incorporation under 989 Subsection (2)(a) no later than 30 days after the day on which the [lieutenant governor] county 990 clerk notifies the contact sponsor of rejection under Subsection (1)(b)(ii). 991 (c) A valid signature on [an incorporation] a petition for incorporation described in 992 Section 10-2a-208 may be used toward fulfilling the signature requirement described in 993 Subsection 10-2a-208(1) for a petition for incorporation that is modified under Subsection 994 (2)(a). 995 (3) (a) Within 20 days after the day on which the [lieutenant governor] county clerk 996 receives a modified petition for incorporation under Subsection (2)(a), the lieutenant 997 governor] county clerk shall review the modified petition for incorporation in accordance with Subsection (1). 998 999 (b) The sponsors of [an incorporation] a petition for incorporation may not modify the 1000 petition for incorporation more than once. 1001 Section 16. Section **10-2a-210** is amended to read: 1002 **10-2a-210.** Incorporation election -- Notice of election -- Voter information 1003 pamphlet. (1) (a) If the [lieutenant governor] county clerk certifies a petition for incorporation 1004 1005 under Subsection 10-2a-209(1)(b), the lieutenant governor shall schedule an incorporation 1006 election for the proposed municipality described in the petition for incorporation to be held on 1007 the date of the next regular general election described in Section 20A-1-201, or the next 1008 municipal general election described in Section 20A-1-202, that is at least 65 days after the day 1009 on which the [lieutenant governor] county clerk certifies the petition for incorporation. 1010 (b) (i) The lieutenant governor shall direct the county legislative body of the county in 1011 which the proposed municipality is located to hold the election on the date that the lieutenant 1012 governor schedules under Subsection (1)(a). 1013 (ii) The county legislative body shall hold the election as directed by the lieutenant 1014 governor under Subsection (1)(b)(i). 1015 (2) The county clerk shall provide notice of the election: (a) (i) by publishing notice in a newspaper of general circulation within the area 1016 1017 proposed to be incorporated at least once a week for three successive weeks before the election;

1018	(ii) at least three weeks before the day of the election, by posting one notice, and at
1019	least one additional notice per 2,000 population of the area proposed to be incorporated, in
1020	places within the area proposed to be incorporated that are most likely to give notice to the
1021	voters within the area proposed to be incorporated, subject to a maximum of 10 notices; or
1022	(iii) at least three weeks before the day of the election, by mailing notice to each
1023	registered voter in the area proposed to be incorporated;
1024	(b) by posting notice on the Utah Public Notice Website, created in Section
1025	63A-16-601, for three weeks before the day of the election;
1026	(c) if the proposed municipality has a website, by posting notice on the proposed
1027	municipality's website for three weeks before the day of the election; and
1028	(d) by posting notice on the county's website for three weeks before the day of the
1029	election.
1030	(3) (a) The notice [required by] described in Subsection (2) shall [contain] include:
1031	(i) a statement of the contents of the petition <u>for incorporation</u> ;
1032	(ii) a description of the area proposed to be incorporated as a municipality;
1033	(iii) a statement of the date and time of the election and the location of polling places;
1034	and
1035	(iv) except as provided in Subsection (3)(b), the feasibility study summary described in
1036	Subsection $\left[\frac{10-2a-205(3)(c)}{10-2a-205(2)(c)(iii)}\right]$ and a statement that a full copy of the study
1037	is available on the [lieutenant governor's] county's website and for inspection at the [Office of
1038	the Lieutenant Governor] county offices.
1039	(b) Instead of including the feasibility summary under Subsection (3)(a)(iv), the notice
1040	may include a statement that specifies the following sources where a registered voter in the area
1041	proposed to be incorporated may view or obtain a copy of the feasibility study:
1042	(i) the [lieutenant governor's] <u>county's</u> website;
1043	(ii) the physical address of the [Office of the Lieutenant Governor] county clerk office;
1044	and
1045	(iii) a mailing address and telephone number.
1046	(4) (a) In addition to the notice [required under] described in Subsection (2), the county
1047	clerk shall publish and distribute, before the incorporation election is held, a voter information
1048	pamphlet:

1049	(i) in accordance with the procedures and requirements of Section 20A-7-402;
1050	(ii) in consultation with the lieutenant governor; and
1051	(iii) in a manner that the county clerk determines is adequate, subject to Subsections
1052	(4)(a)(i) and (ii).
1053	(b) The voter information pamphlet described in Subsection (4)(a):
1054	(i) shall inform the public of the proposed incorporation; and
1055	(ii) may include written statements, printed in the same font style and point size, from
1056	proponents and opponents of the proposed incorporation.
1057	(5) An individual may not vote in an incorporation election under this section unless
1058	the individual is a registered voter who resides, as defined in Section 20A-1-102, within the
1059	boundaries of the proposed municipality.
1060	(6) If a majority of those who vote in an incorporation election held under this section
1061	cast votes in favor of incorporation, the area shall incorporate.
1062	Section 17. Section 10-2a-213 is amended to read:
1063	10-2a-213. Determination of number of council members Determination of
1064	election districts Hearings and notice.
1065	(1) If the incorporation proposal passes, the [petition] sponsors of the petition for
1066	incorporation shall, within 60 days after the day on which the county conducts the canvass of
1067	the election under Section 10-2a-212:
1068	(a) for the incorporation of a city:
1069	(i) if the voters at the incorporation election choose the council-mayor form of
1070	government, determine the number of council members that will constitute the city council of
1071	the city; and
1072	(ii) if the voters at the incorporation election vote to elect council members by district,
1073	determine the number of council members to be elected by district and draw the boundaries of
1074	those districts, which shall be substantially equal in population; and
1075	(b) for the incorporation of any municipality:
1076	(i) determine the initial terms of the mayor and members of the municipal council so
1077	that:
1078	(A) the mayor and approximately half the members of the municipal council are
1079	elected to serve an initial term, of no less than one year, that allows the mayor's and members'

1080	successors to serve a full four-year term that coincides with the schedule established in
1081	Subsection 10-3-205(1); and
1082	(B) the remaining members of the municipal council are elected to serve an initial
1083	term, of no less than one year, that allows the members' successors to serve a full four-year
1084	term that coincides with the schedule established in Subsection 10-3-205(2); and
1085	(ii) submit in writing to the county legislative body the results of the determinations
1086	made by the sponsors under Subsections (1)(a) and (b)(i).
1087	(2) A newly incorporated town shall operate under the five-member council form of
1088	government as defined in Section 10-3b-102.
1089	(3) Before making a determination under Subsection (1)(a) or (b)(i), the [petition]
1090	sponsors of the petition for incorporation shall, under the direction of the county clerk, hold a
1091	public hearing within the future municipality on the applicable issues described in Subsections
1092	(1)(a) and (b)(i).
1093	(4) [The petition sponsors shall provide notice] Notice of the public hearing described
1094	in Subsection (3) shall be provided as follows:
1095	(a) the sponsors of the petition for incorporation shall:
1096	(i) at least two weeks before the day of the public hearing, [by posting] post one notice,
1097	and at least one additional notice per 2,000 population of the future municipality, in places
1098	within the future municipality that are most likely to give notice to the residents within, and the
1099	owners of real property located within, the future municipality, subject to a maximum of 10
1100	notices; or
1101	(ii) at least two weeks before the day of the public hearing, [by mailing] mail notice to
1102	each residence within, and each owner of real property located within, the future municipality;
1103	(b) [by posting] the county clerk shall post notice on the Utah Public Notice Website,
1104	created in Section 63A-16-601, for two weeks before the day of the public hearing;
1105	(c) if the future municipality has a website, [by posting] the sponsors of the petition for
1106	incorporation shall post notice on the future municipality's website for two weeks before the
1107	day of the public hearing; and
1108	(d) [by posting notice] the county clerk shall post notice on the county's website for
1109	two weeks before the day of the public hearing.
1110	Section 18. Section 10-2a-214 is amended to read:

1111	10-2a-214. Notice of number of commission or council members to be elected and
1112	of district boundaries Declaration of candidacy for municipal office.
1113	(1) Within 20 days after the day on which a county legislative body receives the
1114	[petition sponsors' determination under] determination described in Subsection
1115	10-2a-213(1)(b)(ii), the county clerk shall provide a notice, in accordance with Subsection (2),
1116	containing:
1117	(a) the number of municipal council members to be elected for the new municipality;
1118	(b) except as provided in Subsection (3), if some or all of the municipal council
1119	members are to be elected by district, a description of the boundaries of those districts;
1120	(c) information about the deadline for an individual to file a declaration of candidacy to
1121	become a candidate for mayor or municipal council; and
1122	(d) information about the length of the initial term of each of the municipal officers.
1123	(2) The county clerk shall provide the notice described in Subsection (1):
1124	(a) (i) by posting one notice, and at least one additional notice per 2,000 population of
1125	the future municipality, in places within the future municipality that are most likely to give
1126	notice to the residents in the future municipality, subject to a maximum of 10 notices; or
1127	(ii) by mailing notice to each residence in the future municipality;
1128	(b) by posting notice on the Utah Public Notice Website, created in Section
1129	63A-16-601, for two weeks;
1130	(c) if the future municipality has a website, by posting notice on the future
1131	municipality's website for two weeks; and
1132	(d) by posting notice on the county's website for two weeks.
1133	(3) Instead of including a description of the district boundaries under Subsection (1)(b),
1134	the notice may include a statement that specifies the following sources where a resident of the
1135	future municipality may view or obtain a copy of the district boundaries:
1136	(a) the county website;
1137	(b) the physical address of the county [offices] clerk's office; and
1138	(c) a mailing address and telephone number.
1139	(4) Notwithstanding Subsection 20A-9-203(3)(a), each individual seeking to become a
1140	candidate for mayor or municipal council of a municipality incorporating under this part shall
1141	file a declaration of candidacy with the clerk of the county in which the future municipality is

1142	located and in accordance with:
1143	(a) for an incorporation held on the date of a regular general election, the deadlines for
1144	filing a declaration of candidacy under Section 20A-9-202; or
1145	(b) for an incorporation held on the date of a municipal general election, the deadlines
1146	for filing a declaration of candidacy under Section 20A-9-203.
1147	Section 19. Section 10-2a-220 is amended to read:
1148	10-2a-220. Costs of incorporation Fees established by lieutenant governor.
1149	(1) (a) There is created an expendable special revenue fund known as the "Municipal
1150	Incorporation Expendable Special Revenue Fund."
1151	(b) The fund shall consist of:
1152	(i) appropriations from the Legislature; and
1153	(ii) fees the [Office of the Lieutenant Governor] lieutenant governor collects and remits
1154	to the fund under this section.
1155	(c) The [Office of the Lieutenant Governor] lieutenant governor shall deposit all
1156	money collected under this section into the fund.
1157	(2) (a) The lieutenant governor shall establish a fee in accordance with Section
1158	63J-1-504 for a cost incurred by the lieutenant governor or the county for an incorporation
1159	proceeding, including:
1160	(i) a request certification;
1161	(ii) a feasibility study;
1162	(iii) a petition certification;
1163	(iv) publication of notices;
1164	(v) public hearings;
1165	(vi) all other incorporation activities occurring after the elections; and
1166	(vii) any other cost incurred by the lieutenant governor or county in relation to an
1167	incorporation proceeding.
1168	(b) A cost under Subsection (2)(a) does not include a cost incurred by a county for
1169	holding an election under Section 10-2a-210.
1170	(3) The lieutenant governor shall pay for a cost described in Subsection (2)(a) using
1171	funds from the Municipal Incorporation Expendable Special Revenue Fund.
1172	(4) (a) An area that incorporates as a municipality shall pay:

1173	(i) to the lieutenant governor each fee established under Subsection (2) for each cost
1174	described in Subsection (2)(a) incurred by the lieutenant governor or the county; and
1175	(ii) the county for a cost described in Subsection (2)(b).
1176	(b) The lieutenant governor shall execute a payback agreement with each new
1177	municipality for the new municipality to pay the fees described in Subsection (4)(a) over a
1178	period that, except as provided in Subsection (4)(c), may not exceed five years.
1179	(c) If necessary, the lieutenant governor may extend a fee payment deadline beyond the
1180	deadline described in Subsection (4)(b) by amending the payback agreement described in
1181	Subsection (4)(b).
1182	(d) The lieutenant governor shall deposit each fee the lieutenant governor collects
1183	under Subsection (4)(a)(i) into the Municipal Incorporation Expendable Special Revenue Fund.
1184	(5) If the lieutenant governor expends funds from the Municipal Incorporation
1185	Expendable Special Revenue Fund that are not repaid to the lieutenant governor under
1186	Subsection (4)(a)(i) because an area did not incorporate as a municipality, the Legislature shall
1187	appropriate money to the fund in an amount equal to the funds that are not repaid.
1188	Section 20. Repealer.
1189	This bill repeals:
1190	Section 10-2a-101, Title.
1191	Section 10-2a-201, Title.
1192	Section 21. Revisor instructions.
1193	The Legislature intends that the Office of Legislative Research and General Counsel, in
1194	preparing the Utah Code database for publication, replace the references in Subsections
1195	10-2a-106(1) and (2) in this bill from "this bill" to the citation to the bill in the Laws of Utah.
1196	Section 22. Coordinating S.B. 37 with S.B. 43 Substantive and technical
1197	amendments.
1198	If this S.B. 37 and S.B. 43, Public Notice Requirements, both pass and become law, it is
1199	the intent of the Legislature that the Office of Legislative Research and General Counsel shall
1200	prepare the Utah Code database for publication by:
1201	(1) amending Subsection 10-2a-207(8) as follows:
1202	"[(8)] (7) The [lieutenant governor] county clerk shall publish notice of each public
1203	hearing required under this section[;], and Section 10-2a-204.3, for the proposed municipality,

1204	as a class B notice under Section 63G-28-102, for at least three weeks before the day of the
1205	public hearing.
1206	[(a) (i) at least three weeks before the day of the public hearing, by posting one notice,
1207	and at least one additional notice per 2,000 population of the proposed municipality, in places
1208	within the proposed municipality that are most likely to give notice to the residents within, and
1209	the owners of real property located within, the proposed municipality; or]
1210	[(ii) at least three weeks before the public hearing, by mailing notice to each residence
1211	within, and each owner of real property located within, the proposed municipality;]
1212	[(b) on the Utah Public Notice Website created in Section 63A-16-601, for three weeks
1213	before the day of the public hearing; and]
1214	[(c) on the lieutenant governor's website for three weeks before the day of the public
1215	hearing.]"; and
1216	(2) amending Subsection 10-2a-213(4) as follows:
1217	<u>"(4)</u> [The petition sponsors shall provide notice] Notice of the public hearing described
1218	in Subsection (3) shall be provided as follows:
1219	[(a) (i) at least two weeks before the day of the public hearing, by posting one notice,
1220	and at least one additional notice per 2,000 population of the future municipality, in places
1221	within the future municipality that are most likely to give notice to the residents within, and the
1222	owners of real property located within, the future municipality, subject to a maximum of 10
1223	notices; or]
1224	[(ii) at least two weeks before the day of the public hearing, by mailing notice to each
1225	residence within, and each owner of real property located within, the future municipality;]
1226	[(b) by posting notice on the Utah Public Notice Website, created in Section
1227	63A-16-601, for two weeks before the day of the public hearing;]
1228	(a) the county clerk shall provide notice for the future municipality, as a class B notice
1229	under Section 63G-28-102, for at least two weeks before the day of the public hearing; and
1230	[(c)] (b) if the future municipality has a website, [by posting] the sponsors of the
1231	petition for incorporation shall post notice on the future municipality's website for at least two
1232	weeks before the day of the public hearing[; and].
1233	[(d) by posting notice on the county's website for two weeks before the day of the
1234	public hearing.]".