

LOCAL DISTRICT REQUIREMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kirk A. Cullimore

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions regarding local district processes, the annexation of areas for special service districts, and the Open and Public Meetings Act.

Highlighted Provisions:

This bill:

- ▶ amends the time requirement for notices and hearings of impact fee resolution from 14 to 10 days;
- ▶ amends the election procedures for a local district board;
- ▶ modifies the process for local district boundary changes;
- ▶ modifies the fee collection and payment process for local districts;
- ▶ provides that an annexed area for a special service district is subject to the user fees imposed and property taxes levied for the benefit of the special service district once the required documents are recorded; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:



- 28 **17B-1-111**, as last amended by Laws of Utah 2021, Chapter 355
- 29 **17B-1-306**, as last amended by Laws of Utah 2022, Chapters 18, 381
- 30 **17B-1-417**, as last amended by Laws of Utah 2021, Chapters 84, 345 and 355
- 31 **17B-1-635**, as renumbered and amended by Laws of Utah 2007, Chapter 329
- 32 **17B-1-643**, as last amended by Laws of Utah 2021, First Special Session, Chapter 15
- 33 **17D-1-103**, as last amended by Laws of Utah 2020, Chapter 354
- 34 **17D-1-403**, as last amended by Laws of Utah 2009, Chapter 350

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

37 Section 1. Section **17B-1-111** is amended to read:

38 **17B-1-111. Impact fee resolution -- Notice and hearing requirements.**

39 (1) (a) If a local district wishes to impose impact fees, the board of trustees of the local
40 district shall:

41 (i) prepare a proposed impact fee resolution that meets the requirements of Title 11,
42 Chapter 36a, Impact Fees Act;

43 (ii) make a copy of the impact fee resolution available to the public at least [~~14~~] 10
44 days before the date of the public hearing and hold a public hearing on the proposed impact fee
45 resolution; and

46 (iii) provide reasonable notice of the public hearing at least [~~14~~] 10 days before the
47 date of the hearing.

48 (b) After the public hearing, the board of trustees may:

49 (i) adopt the impact fee resolution as proposed;

50 (ii) amend the impact fee resolution and adopt or reject it as amended; or

51 (iii) reject the resolution.

52 (2) A local district meets the requirements of reasonable notice required by this section
53 if it:

54 (a) posts notice of the hearing or meeting in at least three public places within the
55 jurisdiction; or

56 (b) gives actual notice of the hearing or meeting.

57 (3) The local district's board of trustees may enact a resolution establishing stricter
58 notice requirements than those required by this section.

59 (4) (a) Proof that one of the two forms of notice required by this section was given is
60 prima facie evidence that notice was properly given.

61 (b) If notice given under authority of this section is not challenged within 30 days from
62 the date of the meeting for which the notice was given, the notice is considered adequate and
63 proper.

64 Section 2. Section **17B-1-306** is amended to read:

65 **17B-1-306. Local district board -- Election procedures.**

66 (1) Except as provided in Subsection (12), each elected board member shall be selected
67 as provided in this section.

68 (2) (a) Each election of a local district board member shall be held:

69 (i) at the same time as the municipal general election or the regular general election, as
70 applicable; and

71 (ii) at polling places designated by the local district board in consultation with the
72 county clerk for each county in which the local district is located, which polling places shall
73 coincide with municipal general election or regular general election polling places, as
74 applicable, whenever feasible.

75 (b) The local district board, in consultation with the county clerk, may consolidate two
76 or more polling places to enable voters from more than one district to vote at one consolidated
77 polling place.

78 (c) (i) Subject to Subsections (5)(h) and (i), the number of polling places under
79 Subsection (2)(a)(ii) in an election of board members of an irrigation district shall be one
80 polling place per division of the district, designated by the district board.

81 (ii) Each polling place designated by an irrigation district board under Subsection
82 (2)(c)(i) shall coincide with a polling place designated by the county clerk under Subsection
83 (2)(a)(ii).

84 (3) (a) The clerk of each local district with a board member position to be filled at the
85 next municipal general election or regular general election, as applicable, shall provide notice
86 of:

87 ~~[(a)]~~ (i) each elective position of the local district to be filled at the next municipal
88 general election or regular general election, as applicable;

89 ~~[(b)]~~ (ii) the constitutional and statutory qualifications for each position; and

90 ~~(e)~~ (iii) the dates and times for filing a declaration of candidacy.

91 (b) If the election is to be held at the same time as the municipal general election,
92 subject to Subsection (5)(a), a declaration of candidacy may be filed on the days specified in
93 Subsection (5)(a).

94 (c) If the election is to be held at the same time as the regular general election, a
95 declaration of candidacy may be filed by the deadline stated in Subsection [20A-9-202\(1\)\(b\)](#).

96 (4) The clerk of the local district shall publish the notice described in Subsection ~~(3)~~
97 (3)(a):

98 (a) by posting the notice on the Utah Public Notice Website created in Section
99 [63A-16-601](#), for 10 days before the first day for filing a declaration of candidacy;

100 (b) by posting the notice in at least five public places within the local district at least 10
101 days before the first day for filing a declaration of candidacy; and

102 (c) if the local district has a website, on the local district's website for 10 days before
103 the first day for filing a declaration of candidacy.

104 (5) (a) Except as provided in Subsection (5)(c), to become a candidate for an elective
105 local district board position, an individual shall file a declaration of candidacy in person with
106 an official designated by the local district within the candidate filing period ~~for~~, which is
107 between June 1 and June 7 of the applicable election year in which the election for the local
108 district board is held and:

109 (i) during the local district's standard office hours, if the standard office hours provide
110 at least three consecutive office hours each day during the candidate filing period that is not a
111 holiday or weekend; or

112 (ii) if the standard office hours of a local district do not provide at least three
113 consecutive office hours each day, a three-hour consecutive time period each day designated by
114 the local district during the candidate filing period that is not a holiday or weekend.

115 (b) When the candidate filing deadline falls on a Saturday, Sunday, or holiday, the
116 filing time shall be extended until the close of normal office hours on the following regular
117 business day.

118 (c) Subject to Subsection (5)(f), an individual may designate an agent to file a
119 declaration of candidacy with the official designated by the local district if:

120 (i) the individual is located outside of the state during the entire filing period;

121 (ii) the designated agent appears in person before the official designated by the local
122 district; and

123 (iii) the individual communicates with the official designated by the local district using
124 an electronic device that allows the individual and official to see and hear each other.

125 (d) (i) Before the filing officer may accept any declaration of candidacy from an
126 individual, the filing officer shall:

127 (A) read to the individual the constitutional and statutory qualification requirements for
128 the office that the individual is seeking; and

129 (B) require the individual to state whether the individual meets those requirements.

130 (ii) If the individual does not meet the qualification requirements for the office, the
131 filing officer may not accept the individual's declaration of candidacy.

132 (iii) If it appears that the individual meets the requirements of candidacy, the filing
133 officer shall accept the individual's declaration of candidacy.

134 (e) The declaration of candidacy shall be in substantially the following form:

135 "I, (print name) _____, being first duly sworn, say that I reside at (Street)
136 _____, City of _____, County of _____, state of Utah, (Zip
137 Code) _____, (Telephone Number, if any) _____; that I meet the qualifications for the
138 office of board of trustees member for _____ (state the name of the local
139 district); that I am a candidate for that office to be voted upon at the next election; and that, if
140 filing via a designated agent, I will be out of the state of Utah during the entire candidate filing
141 period, and I hereby request that my name be printed upon the official ballot for that election.

142 (Signed) _____

143 Subscribed and sworn to (or affirmed) before me by _____ on this _____ day
144 of _____, _____.

145 (Signed) _____

146 (Clerk or Notary Public)".

147 (f) An agent designated under Subsection (5)(c) may not sign the form described in
148 Subsection (5)(e).

149 (g) Each individual wishing to become a valid write-in candidate for an elective local
150 district board position is governed by Section [20A-9-601](#).

151 (h) If at least one individual does not file a declaration of candidacy as required by this

152 section, an individual shall be appointed to fill that board position in accordance with the
153 appointment provisions of Section 20A-1-512.

154 (i) If only one candidate files a declaration of candidacy and there is no write-in
155 candidate who complies with Section 20A-9-601, the board, in accordance with Section
156 20A-1-206, may:

157 (i) consider the candidate to be elected to the position; and

158 (ii) cancel the election.

159 (6) (a) A primary election may be held if:

160 (i) the election is authorized by the local district board; and

161 (ii) the number of candidates for a particular local board position or office exceeds
162 twice the number of persons needed to fill that position or office.

163 (b) The primary election shall be conducted:

164 (i) on the same date as the municipal primary election or the regular primary election,
165 as applicable; and

166 (ii) according to the procedures for primary elections provided under Title 20A,
167 Election Code.

168 (7) (a) Except as provided in Subsection (7)(c), within one business day after the
169 deadline for filing a declaration of candidacy, the local district clerk shall certify the candidate
170 names to the clerk of each county in which the local district is located.

171 (b) (i) Except as provided in Subsection (7)(c) and in accordance with Section
172 20A-6-305, the clerk of each county in which the local district is located and the local district
173 clerk shall coordinate the placement of the name of each candidate for local district office in
174 the nonpartisan section of the ballot with the appropriate election officer.

175 (ii) If consolidation of the local district election ballot with the municipal general
176 election ballot or the regular general election ballot, as applicable, is not feasible, the local
177 district board of trustees, in consultation with the county clerk, shall provide for a separate
178 local district election ballot to be administered by poll workers at polling places designated
179 under Subsection (2).

180 (c) (i) Subsections (7)(a) and (b) do not apply to an election of a member of the board
181 of an irrigation district established under Chapter 2a, Part 5, Irrigation District Act.

182 (ii) (A) Subject to Subsection (7)(c)(ii)(B), the board of each irrigation district shall

183 prescribe the form of the ballot for each board member election.

184 (B) Each ballot for an election of an irrigation district board member shall be in a
185 nonpartisan format.

186 (C) The name of each candidate shall be placed on the ballot in the order specified
187 under Section 20A-6-305.

188 (8) (a) Each voter at an election for a board of trustees member of a local district shall:

189 (i) be a registered voter within the district, except for an election of:

190 (A) an irrigation district board of trustees member; or

191 (B) a basic local district board of trustees member who is elected by property owners;

192 and

193 (ii) meet the requirements to vote established by the district.

194 (b) Each voter may vote for as many candidates as there are offices to be filled.

195 (c) The candidates who receive the highest number of votes are elected.

196 (9) Except as otherwise provided by this section, the election of local district board
197 members is governed by Title 20A, Election Code.

198 (10) (a) Except as provided in Subsection 17B-1-303(8), a person elected to serve on a
199 local district board shall serve a four-year term, beginning at noon on the January 1 after the
200 person's election.

201 (b) A person elected shall be sworn in as soon as practical after January 1.

202 (11) (a) Except as provided in Subsection (11)(b), each local district shall reimburse
203 the county or municipality holding an election under this section for the costs of the election
204 attributable to that local district.

205 (b) Each irrigation district shall bear the district's own costs of each election the district
206 holds under this section.

207 (12) This section does not apply to an improvement district that provides electric or gas
208 service.

209 (13) Except as provided in Subsection 20A-3a-605(1)(b), the provisions of Title 20A,
210 Chapter 3a, Part 6, Early Voting, do not apply to an election under this section.

211 (14) (a) As used in this Subsection (14), "board" means:

212 (i) a local district board; or

213 (ii) the administrative control board of a special service district that has elected

214 members on the board.

215 (b) A board may hold elections for membership on the board at a regular general
216 election instead of a municipal general election if the board submits an application to the
217 lieutenant governor that:

218 (i) requests permission to hold elections for membership on the board at a regular
219 general election instead of a municipal general election; and

220 (ii) indicates that holding elections at the time of the regular general election is
221 beneficial, based on potential cost savings, a potential increase in voter turnout, or another
222 material reason.

223 (c) Upon receipt of an application described in Subsection (14)(b), the lieutenant
224 governor may approve the application if the lieutenant governor concludes that holding the
225 elections at the regular general election is beneficial based on the criteria described in
226 Subsection (14)(b)(ii).

227 (d) If the lieutenant governor approves a board's application described in this section:

228 (i) all future elections for membership on the board shall be held at the time of the
229 regular general election; and

230 (ii) the board may not hold elections at the time of a municipal general election unless
231 the board receives permission from the lieutenant governor to hold all future elections for
232 membership on the board at a municipal general election instead of a regular general election,
233 under the same procedure, and by applying the same criteria, described in this Subsection (14).

234 (15) (a) This Subsection (15) applies to a local district if:

235 (i) the local district's board members are elected by the owners of real property, as
236 provided in Subsection 17B-1-1402(1)(b); and

237 (ii) the local district was created before January 1, 2020.

238 (b) The board of a local district described in Subsection (15)(a) may conduct an
239 election:

240 (i) to fill a board member position that expires at the end of the term for that board
241 member's position; and

242 (ii) notwithstanding Subsection 20A-1-512(1)(a)(i), to fill a vacancy in an unexpired
243 term of a board member.

244 (c) An election under Subsection (15)(b) may be conducted as determined by the local

245 district board, subject to Subsection (15)(d).

246 (d) (i) The local district board shall provide to property owners eligible to vote at the
247 local district election:

248 (A) notice of the election; and

249 (B) a form to nominate an eligible individual to be elected as a board member.

250 (ii) (A) The local district board may establish a deadline for a property owner to submit
251 a nomination form.

252 (B) A deadline under Subsection (15)(d)(ii)(A) may not be earlier than 15 days after
253 the board provides the notice and nomination form under Subsection (15)(d)(i).

254 (iii) (A) After the deadline for submitting nomination forms, the local district board
255 shall provide a ballot to all property owners eligible to vote at the local district election.

256 (B) A local district board shall allow at least five days for ballots to be returned.

257 (iv) A local district board shall certify the results of an election under this Subsection
258 (15) during an open meeting of the board.

259 Section 3. Section **17B-1-417** is amended to read:

260 **17B-1-417. Boundary adjustment -- Notice and hearing -- Protest -- Resolution**
261 **adjusting boundaries -- Filing of notice and plat with the lieutenant governor --**
262 **Recording requirements -- Effective date.**

263 (1) As used in this section, "affected area" means the area located within the
264 boundaries of one local district that will be removed from that local district and included within
265 the boundaries of another local district because of a boundary adjustment under this section.

266 (2) The boards of trustees of two or more local districts having a common boundary
267 and providing the same service on the same wholesale or retail basis may adjust their common
268 boundary as provided in this section.

269 (3) (a) The board of trustees of each local district intending to adjust a boundary that is
270 common with another local district shall:

271 (i) adopt a resolution indicating the board's intent to adjust a common boundary;

272 (ii) hold a public hearing on the proposed boundary adjustment no less than 60 days
273 after the adoption of the resolution under Subsection (3)(a)(i); and

274 (iii) (A) post notice:

275 (I) in at least four conspicuous places within the local district at least two weeks before

276 the public hearing; and

277 (II) on the Utah Public Notice Website created in Section 63A-16-601, for two weeks;

278 or

279 (B) mail a notice to each owner of property located within the affected area and to each
280 registered voter residing within the affected area.

281 (b) The notice required under Subsection (3)(a)(iii) shall:

282 (i) state that the board of trustees of the local district has adopted a resolution
283 indicating the board's intent to adjust a boundary that the local district has in common with
284 another local district that provides the same service as the local district;

285 (ii) describe the affected area;

286 (iii) state the date, time, and location of the public hearing required under Subsection
287 (3)(a)(ii);

288 (iv) provide a local district telephone number where additional information about the
289 proposed boundary adjustment may be obtained;

290 (v) explain the financial and service impacts of the boundary adjustment on property
291 owners or residents within the affected area; and

292 (vi) state in conspicuous and plain terms that the board of trustees may approve the
293 adjustment of the boundaries unless, at or before the public hearing under Subsection (3)(a)(ii),
294 written protests to the adjustment are filed with the board by:

295 (A) the owners of private real property that:

296 (I) is located within the affected area;

297 (II) covers at least 50% of the total private land area within the affected area; and

298 (III) is equal in assessed value to at least 50% of the assessed value of all private real
299 property within the affected area; or

300 (B) registered voters residing within the affected area equal in number to at least 50%
301 of the votes cast in the affected area for the office of governor at the last regular general
302 election before the filing of the protests.

303 (c) The boards of trustees of the local districts whose boundaries are being adjusted
304 may jointly:

305 (i) post or mail the notice required under Subsection (3)(a)(iii); and

306 (ii) hold the public hearing required under Subsection (3)(a)(ii).

307 (d) Subsections (3)(a)(ii) and (iii), (3)(b), and (3)(c) do not apply if written consents to
308 the boundary adjustment have been filed with the board that are signed by:

309 (i) the owners of 100% of the private real property located within the affected area; and

310 (ii) registered voters residing within the affected area equal in number to at least the
311 number votes cast in the affected area for the office of governor at the last regular general
312 election before the filing of the written consents to the boundary adjustment.

313 (4) [~~After~~ Except as provided in Subsection (3)(d), after the public hearing required
314 under Subsection (3)(a)(ii), the board of trustees may adopt a resolution approving the
315 adjustment of the common boundary unless, at or before the public hearing, written protests to
316 the boundary adjustment have been filed with the board by:

317 (a) the owners of private real property that:

318 (i) is located within the affected area;

319 (ii) covers at least 50% of the total private land area within the affected area; and

320 (iii) is equal in assessed value to at least 50% of the assessed value of all private real
321 property within the affected area; or

322 (b) registered voters residing within the affected area equal in number to at least 50%
323 of the votes cast in the affected area for the office of governor at the last regular general
324 election before the filing of the protests.

325 (5) A resolution adopted under Subsection (4) does not take effect until the board of
326 each local district whose boundaries are being adjusted has adopted a resolution under
327 Subsection (4).

328 (6) The board of the local district whose boundaries are being adjusted to include the
329 affected area shall:

330 (a) within 30 days after the resolutions take effect under Subsection (5), file with the
331 lieutenant governor:

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

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

335 (b) upon the lieutenant governor's issuance of a certificate of boundary adjustment
336 under Section 67-1a-6.5:

337 (i) if the affected area is located within the boundary of a single county, submit to the

338 recorder of that county:

339 (A) the original:

340 (I) notice of an impending boundary action;

341 (II) certificate of boundary adjustment; and

342 (III) approved final local entity plat; and

343 (B) a certified copy of each resolution adopted under Subsection (4); or

344 (ii) if the affected area is located within the boundaries of more than a single county:

345 (A) submit to the recorder of one of those counties:

346 (I) the original of the documents listed in Subsections (6)(b)(i)(A)(I), (II), and (III); and

347 (II) a certified copy of each resolution adopted under Subsection (4); and

348 (B) submit to the recorder of each other county:

349 (I) a certified copy of the documents listed in Subsections (6)(b)(i)(A)(I), (II), and (III);

350 and

351 (II) a certified copy of each resolution adopted under Subsection (4).

352 (7) (a) Upon the lieutenant governor's issuance of a certificate of boundary adjustment
353 under Section 67-1a-6.5, the affected area is annexed to the local district whose boundaries are
354 being adjusted to include the affected area, and the affected area is withdrawn from the local
355 district whose boundaries are being adjusted to exclude the affected area.

356 (b) (i) The effective date of a boundary adjustment under this section for purposes of
357 assessing property within the affected area is governed by Section 59-2-305.5.

358 (ii) Until the documents listed in Subsection (6)(b) are recorded in the office of the
359 recorder of the county in which the property is located, a local district in whose boundary an
360 affected area is included because of a boundary adjustment under this section may not:

361 (A) levy or collect a property tax on property within the affected area;

362 (B) levy or collect an assessment on property within the affected area; or

363 (C) charge or collect a fee for service provided to property within the affected area.

364 (iii) Subsection (7)(b)(ii)(C):

365 (A) may not be construed to limit a local district's ability before a boundary adjustment
366 to charge and collect a fee for service provided to property that is outside the local district's
367 boundary; and

368 (B) does not apply until 60 days after the effective date, under Subsection [(7)(a)]

369 (7)(b), of the local district's boundary adjustment, with respect to a fee that the local district
370 was charging for service provided to property within the area affected by the boundary
371 adjustment immediately before the boundary adjustment.

372 Section 4. Section **17B-1-635** is amended to read:

373 **17B-1-635. Duties with respect to issuance of payments.**

374 (1) The district clerk or other designated person not performing treasurer duties shall
375 prepare the necessary checks or make the necessary arrangements for direct deposit, wire
376 transfer, or other electronic payment mechanism after having determined that:

377 (a) the claim was authorized by:

378 (i) the board of trustees; or

379 (ii) the local district financial officer, if the financial officer is not the clerk, in
380 accordance with Section **17B-1-642**;

381 (b) the claim does not overexpend the appropriate departmental budget established by
382 the board of trustees; and

383 (c) the expenditure was approved in advance by the board of trustees or its designee.

384 (2) (a) (i) The treasurer or any other person appointed by the board of trustees shall
385 sign all checks or review and authorize all direct deposits, wire transfers, or other electronic
386 payments.

387 (ii) The person maintaining the financial records may not sign any single signature
388 check or unilaterally authorize any direct deposit, wire transfer, or other electronic payment.

389 (b) In a local district with an expenditure budget of less than \$50,000 per year, a
390 member of the board of trustees shall also sign all checks and review and authorize all direct
391 deposits, wire transfers, or other electronic payments.

392 (c) Before affixing a signature or other authorization, the treasurer or other designated
393 person shall determine that a sufficient amount is on deposit in the appropriate bank account of
394 the district to honor the check.

395 Section 5. Section **17B-1-643** is amended to read:

396 **17B-1-643. Imposing or increasing a fee for service provided by local district.**

397 (1) (a) Before imposing a new fee or increasing an existing fee for a service provided
398 by a local district, each local district board of trustees shall first hold a public hearing at which:

399 (i) the local district shall demonstrate its need to impose or increase the fee; and

400 (ii) any interested person may speak for or against the proposal to impose a fee or to
401 increase an existing fee.

402 (b) Each public hearing under Subsection (1)(a) shall be held in the evening beginning
403 no earlier than 6 p.m.

404 (c) A public hearing required under this Subsection (1) may be combined with a public
405 hearing on a tentative budget required under Section 17B-1-610.

406 (d) Except to the extent that this section imposes more stringent notice requirements,
407 the local district board shall comply with Title 52, Chapter 4, Open and Public Meetings Act,
408 in holding the public hearing under Subsection (1)(a).

409 (2) (a) Each local district board shall give notice of a hearing under Subsection (1) as
410 provided in Subsections (2)(b) and (c) or Subsection (2)(d).

411 (b) The local district board shall:

412 (i) post the notice required under Subsection (2)(a) on the Utah Public Notice Website,
413 created in Section 63A-16-601; and

414 (ii) post at least one of the notices required under Subsection (2)(a) per 1,000
415 population within the local district, at places within the local district that are [most] likely to
416 provide actual notice to residents within the local district, subject to a maximum of 10 notices.

417 (c) The notice described in Subsection (2)(b) shall state that the local district board
418 intends to impose or increase a fee for a service provided by the local district and will hold a
419 public hearing on a certain day, time, and place fixed in the notice, which shall be not less than
420 seven days after the day the [first] notice is [~~published,~~] first posted as provided in Subsection
421 (2)(b) for the purpose of hearing comments regarding the proposed imposition or increase of a
422 fee and to explain the reasons for the proposed imposition or increase.

423 (d) (i) In lieu of providing notice under Subsection (2)(b), the local district board of
424 trustees may give the notice required under Subsection (2)(a) by mailing the notice to those
425 within the district who:

426 (A) will be charged the fee for a district service, if the fee is being imposed for the first
427 time; or

428 (B) are being charged a fee, if the fee is proposed to be increased.

429 (ii) Each notice under Subsection (2)(d)(i) shall comply with Subsection (2)(c).

430 (iii) A notice under Subsection (2)(d)(i) may accompany a district bill for an existing

431 fee.

432 (e) If the hearing required under this section is combined with the public hearing
433 required under Section 17B-1-610, the notice required under this Subsection (2):

434 (i) may be combined with the notice required under Section 17B-1-609; and

435 (ii) shall be posted or mailed in accordance with the notice provisions of this section.

436 (f) Proof that notice was given as provided in Subsection (2)(b) or (d) is prima facie
437 evidence that notice was properly given.

438 (g) If no challenge is made to the notice given of a hearing required by Subsection (1)
439 within 30 days after the date of the hearing, the notice is considered adequate and proper.

440 (3) After holding a public hearing under Subsection (1), a local district board may:

441 (a) impose the new fee or increase the existing fee as proposed;

442 (b) adjust the amount of the proposed new fee or the increase of the existing fee and
443 then impose the new fee or increase the existing fee as adjusted; or

444 (c) decline to impose the new fee or increase the existing fee.

445 (4) This section applies to each new fee imposed and each increase of an existing fee
446 that occurs on or after July 1, 1998.

447 (5) (a) This section does not apply to an impact fee.

448 (b) The imposition or increase of an impact fee is governed by Title 11, Chapter 36a,
449 Impact Fees Act.

450 Section 6. Section 17D-1-103 is amended to read:

451 **17D-1-103. Special service district status, powers, and duties -- Registration as a**
452 **limited purpose entity -- Limitation on districts providing jail service.**

453 (1) A special service district:

454 (a) is:

455 (i) a body corporate and politic with perpetual succession, separate and distinct from
456 the county or municipality that creates it;

457 (ii) a quasi-municipal corporation; and

458 (iii) a political subdivision of the state; and

459 (b) may sue and be sued.

460 (2) A special service district may:

461 (a) exercise the power of eminent domain possessed by the county or municipality that

462 creates the special service district;

463 (b) enter into a contract that the governing authority considers desirable to carry out
464 special service district functions, including a contract:

465 (i) with the United States or an agency of the United States, the state, an institution of
466 higher education, a county, a municipality, a school district, a local district, another special
467 service district, or any other political subdivision of the state; or

468 (ii) that includes provisions concerning the use, operation, and maintenance of special
469 service district facilities and the collection of fees or charges with respect to commodities,
470 services, or facilities that the district provides;

471 (c) acquire or construct facilities;

472 (d) acquire real or personal property, or an interest in real or personal property,
473 including water and water rights, whether by purchase, lease, gift, devise, bequest, or
474 otherwise, and whether the property is located inside or outside the special service district, and
475 own, hold, improve, use, finance, or otherwise deal in and with the property or property right;

476 (e) sell, convey, lease, exchange, transfer, or otherwise dispose of all or any part of the
477 special service district's property or assets, including water and water rights;

478 (f) mortgage, pledge, or otherwise encumber all or any part of the special service
479 district's property or assets, including water and water rights;

480 (g) enter into a contract with respect to the use, operation, or maintenance of all or any
481 part of the special service district's property or assets, including water and water rights;

482 (h) accept a government grant or loan and comply with the conditions of the grant or
483 loan;

484 (i) use an officer, employee, property, equipment, office, or facility of the county or
485 municipality that created the special service district, subject to reimbursement as provided in
486 Subsection (4);

487 (j) employ one or more officers, employees, or agents, including one or more
488 engineers, accountants, attorneys, or financial consultants, and establish their compensation;

489 (k) designate an assessment area and levy an assessment as provided in Title 11,
490 Chapter 42, Assessment Area Act;

491 (l) contract with a franchised, certificated public utility for the construction and
492 operation of an electrical service distribution system within the special service district;

- 493 (m) borrow money and incur indebtedness;
- 494 (n) as provided in Part 5, Special Service District Bonds, issue bonds for the purpose of
495 acquiring, constructing, and equipping any of the facilities required for the services the special
496 service district is authorized to provide, including:
- 497 (i) bonds payable in whole or in part from taxes levied on the taxable property in the
498 special service district;
- 499 (ii) bonds payable from revenues derived from the operation of revenue-producing
500 facilities of the special service district;
- 501 (iii) bonds payable from both taxes and revenues;
- 502 (iv) guaranteed bonds, payable in whole or in part from taxes levied on the taxable
503 property in the special service district;
- 504 (v) tax anticipation notes;
- 505 (vi) bond anticipation notes;
- 506 (vii) refunding bonds;
- 507 (viii) special assessment bonds; and
- 508 (ix) bonds payable in whole or in part from mineral lease payments as provided in
509 Section 11-14-308;
- 510 (o) except as provided in Subsection (5), impose fees or charges or both for
511 commodities, services, or facilities that the special service district provides;
- 512 (p) provide to an area outside the special service district's boundary, whether inside or
513 outside the state, a service that the special service district is authorized to provide within its
514 boundary, if the governing body makes a finding that there is a public benefit to providing the
515 service to the area outside the special service district's boundary;
- 516 (q) provide other services that the governing body determines will more effectively
517 carry out the purposes of the special service district; and
- 518 (r) adopt an official seal for the special service district.
- 519 (3) (a) Each special service district shall register and maintain the special service
520 district's registration as a limited purpose entity, in accordance with Section 67-1a-15.
- 521 (b) A special service district that fails to comply with Subsection (3)(a) or Section
522 67-1a-15 is subject to enforcement by the state auditor, in accordance with Section 67-3-1.
- 523 (4) (a) Each special service district that uses an officer, employee, property, equipment,

524 office, or facility of the county or municipality that created the special service district shall
525 reimburse the county or municipality a reasonable amount for what the special service district
526 uses.

527 (b) The amount invoiced for what the special service district uses under Subsection
528 (4)(a) may not exceed the actual documented cost incurred, without markup, by the county or
529 municipality.

530 (5) (a) A special service district that provides jail service as provided in Subsection
531 17D-1-201(10) may not impose a fee or charge for the service it provides.

532 (b) Subsection (5)(a) may not be construed to limit a special service district that
533 provides jail service from:

534 (i) entering into a contract with the federal government, the state, or a political
535 subdivision of the state to provide jail service for compensation; or

536 (ii) receiving compensation for jail service it provides under a contract described in
537 Subsection (5)(b)(i).

538 Section 7. Section 17D-1-403 is amended to read:

539 **17D-1-403. Notice and plat to lieutenant governor -- Lieutenant governor**
540 **certification -- Recording requirements -- Effective date.**

541 (1) If a county or municipal legislative body adopts a resolution approving the
542 annexation of an area to an existing special service district, the legislative body shall:

543 (a) within 30 days after adopting the resolution, file with the lieutenant governor:

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

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

547 (b) upon the lieutenant governor's issuance of a certificate of annexation under Section
548 67-1a-6.5, submit to the recorder of the county in which the special service district is located:

549 (i) the original notice of an impending boundary action;

550 (ii) the original certificate of annexation;

551 (iii) the original approved final local entity plat; and

552 (iv) a certified copy of the resolution approving the annexation.

553 (2) (a) Upon the lieutenant governor's issuance of the certificate of annexation under
554 Section 67-1a-6.5, the additional area that is the subject of the legislative body's resolution is

555 annexed to the special service district.

556 (b) (i) The effective date of an annexation under this section for purposes of assessing
557 property within the annexed area is governed by Section 59-2-305.5.

558 (ii) Until the documents listed in Subsection (1)(b) are recorded in the office of the
559 recorder of the county in which the property is located:

560 (A) the county, city, or town that created the special service district may not levy or
561 collect a property tax for special service district purposes on property within the annexed area;
562 and

563 (B) the special service district may not:

564 (I) levy or collect an assessment on property within the annexed area; or

565 (II) charge or collect a fee for service provided to property within the annexed area.

566 (iii) Subsection (2)(b)(ii)(B)(II):

567 (A) may not be construed to limit a special service district's ability before annexation to
568 charge and collect a fee for service provided to property that is outside the special service
569 district's boundary; and

570 (B) does not apply until 60 days after the effective date, under Subsection [~~(2)(a)~~]
571 (2)(b), of the special service district's annexation, with respect to a fee that the special service
572 district was charging for service provided to property within the annexed area immediately
573 before the area was annexed to the special service district.

574 (3) After the documents listed in Subsection (1)(b) are recorded in the office of the
575 recorder of the county in which the property is located, the annexed area shall be subject to user
576 fees imposed by and property taxes levied for the benefit of the special service district.