1	UNINCORPORATED AREAS AMENDMENTS
2	2024 GENERAL SESSION
3	STATE OF UTAH
4	Chief Sponsor: Jordan D. Teuscher
5	Senate Sponsor: Kirk A. Cullimore
6 7	LONG TITLE
8	General Description:
9	This bill modifies provisions relating to unincorporated areas of a county of the first
10	class.
11	Highlighted Provisions:
12	This bill:
13	<ul> <li>provides for unincorporated islands within a county of the first class to be</li> </ul>
14	automatically annexed to an adjoining municipality;
15	<ul> <li>allows a community council area within a county of the first class to incorporate as</li> </ul>
16	a municipality;
17	<ul> <li>modifies provisions relating to a feasibility study for a proposed incorporation; and</li> </ul>
18	<ul> <li>makes technical and conforming changes.</li> </ul>
19	Money Appropriated in this Bill:
20	None
21	Other Special Clauses:
22	This bill provides a special effective date.
23	<b>Utah Code Sections Affected:</b>
24	AMENDS:
25	10-2-403, as last amended by Laws of Utah 2023, Chapters 16, 34 and 478
26	10-2-425 (Superseded 07/01/24), as last amended by Laws of Utah 2023, Chapters 16,
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8	10-2-425 (Effective 07/01/24), as last amended by Laws of Utah 2023, Chapters 16,
9	310 and 327
0	10-2a-102, as last amended by Laws of Utah 2023, Chapter 224
1	10-2a-103, as last amended by Laws of Utah 2023, Chapter 224
2	10-2a-201.5, as last amended by Laws of Utah 2023, Chapter 224
3	10-2a-202, as last amended by Laws of Utah 2023, Chapter 224
4	10-2a-204.5, as renumbered and amended by Laws of Utah 2023, Chapter 224
5	10-2a-205, as last amended by Laws of Utah 2023, Chapters 16, 224
6	10-2a-210, as last amended by Laws of Utah 2023, Chapters 16, 224 and 435
7	17B-1-414, as last amended by Laws of Utah 2023, Chapter 15
8	17B-1-512, as last amended by Laws of Utah 2023, Chapter 15
9	ENACTS:
0	10-2-429, Utah Code Annotated 1953
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2	Be it enacted by the Legislature of the state of Utah:
3	Section 1. Section 10-2-403 is amended to read:
4	10-2-403. Annexation petition Requirements Notice required before filing.
5	(1) Except as provided in Section 10-2-418 and except for an automatic annexation
6	under Section 10-2-429, the process to annex an unincorporated area to a municipality is
7	initiated by a petition as provided in this section.
8	(2) (a) (i) Before filing a petition under Subsection (1), the person or persons intending
9	to file a petition shall:
0	(A) file with the city recorder or town clerk of the proposed annexing municipality a
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2	notice of intent to file a petition; and
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3	notice of intent to file a petition; and
	notice of intent to file a petition; and  (B) send a copy of the notice of intent to each affected entity.
3	notice of intent to file a petition; and  (B) send a copy of the notice of intent to each affected entity.  (ii) Each notice of intent under Subsection (2)(a)(i) shall include an accurate map of the
3	notice of intent to file a petition; and  (B) send a copy of the notice of intent to each affected entity.  (ii) Each notice of intent under Subsection (2)(a)(i) shall include an accurate map of the area that is proposed to be annexed.
3 4 5	notice of intent to file a petition; and  (B) send a copy of the notice of intent to each affected entity.  (ii) Each notice of intent under Subsection (2)(a)(i) shall include an accurate map of the area that is proposed to be annexed.  (b) (i) Subject to Subsection (2)(b)(ii), the county in which the area proposed to be
3 4 5 6	notice of intent to file a petition; and  (B) send a copy of the notice of intent to each affected entity.  (ii) Each notice of intent under Subsection (2)(a)(i) shall include an accurate map of the area that is proposed to be annexed.  (b) (i) Subject to Subsection (2)(b)(ii), the county in which the area proposed to be annexed is located shall:

(II) each owner of real property located within 300 feet of the area proposed to be annexed; and

- (B) send to the proposed annexing municipality a copy of the notice and a certificate indicating that the notice has been mailed as required under Subsection (2)(b)(i)(A).
- (ii) The county shall mail the notice required under Subsection (2)(b)(i)(A) within 20 days after receiving from the person or persons who filed the notice of intent:
  - (A) a written request to mail the required notice; and
- (B) payment of an amount equal to the county's expected actual cost of mailing the notice.
  - (iii) Each notice required under Subsection (2)(b)(i)(A) shall:
  - (A) be in writing;

- (B) state, in bold and conspicuous terms, substantially the following:
- "Attention: Your property may be affected by a proposed annexation.

Records show that you own property within an area that is intended to be included in a proposed annexation to (state the name of the proposed annexing municipality) or that is within 300 feet of that area. If your property is within the area proposed for annexation, you may be asked to sign a petition supporting the annexation. You may choose whether to sign the petition. By signing the petition, you indicate your support of the proposed annexation. If you sign the petition but later change your mind about supporting the annexation, you may withdraw your signature by submitting a signed, written withdrawal with the recorder or clerk of (state the name of the proposed annexing municipality) within 30 days after (state the name of the proposed annexing municipality) receives notice that the petition has been certified.

There will be no public election on the proposed annexation because Utah law does not provide for an annexation to be approved by voters at a public election. Signing or not signing the annexation petition is the method under Utah law for the owners of property within the area proposed for annexation to demonstrate their support of or opposition to the proposed annexation.

You may obtain more information on the proposed annexation by contacting (state the name, mailing address, telephone number, and email address of the official or employee of the proposed annexing municipality designated to respond to questions about the proposed annexation), (state the name, mailing address, telephone number, and email address of the

county official or employee designated to respond to questions about the proposed annexation), or (state the name, mailing address, telephone number, and email address of the person who filed the notice of intent under Subsection (2)(a)(i)(A), or, if more than one person filed the notice of intent, one of those persons). Once filed, the annexation petition will be available for inspection and copying at the office of (state the name of the proposed annexing municipality) located at (state the address of the municipal offices of the proposed annexing municipality)."; and

- (C) be accompanied by an accurate map identifying the area proposed for annexation.
- (iv) A county may not mail with the notice required under Subsection (2)(b)(i)(A) any other information or materials related or unrelated to the proposed annexation.
- (c) (i) After receiving the certificate from the county as provided in Subsection (2)(b)(i)(B), the proposed annexing municipality shall, upon request from the person or persons who filed the notice of intent under Subsection (2)(a)(i)(A), provide an annexation petition for the annexation proposed in the notice of intent.
- (ii) An annexation petition provided by the proposed annexing municipality may be duplicated for circulation for signatures.
  - (3) Each petition under Subsection (1) shall:

- (a) be filed with the applicable city recorder or town clerk of the proposed annexing municipality;
- (b) contain the signatures of, if all the real property within the area proposed for annexation is owned by a public entity other than the federal government, the owners of all the publicly owned real property, or the owners of private real property that:
  - (i) is located within the area proposed for annexation;
- (ii) (A) subject to Subsection (3)(b)(ii)(C), covers a majority of the private land area within the area proposed for annexation;
- (B) covers 100% of all of the rural real property within the area proposed for annexation; and
- (C) covers 100% of all of the private land area within the area proposed for annexation or a migratory bird production area created under Title 23A, Chapter 13, Migratory Bird Production Area; and
- (iii) is equal in value to at least 1/3 of the value of all private real property within the

- 121 area proposed for annexation; 122 (c) be accompanied by: 123 (i) an accurate and recordable map, prepared by a licensed surveyor in accordance with 124 Section 17-23-20, of the area proposed for annexation; and 125 (ii) a copy of the notice sent to affected entities as required under Subsection 126 (2)(a)(i)(B) and a list of the affected entities to which notice was sent; 127 (d) contain on each signature page a notice in bold and conspicuous terms that states 128 substantially the following: 129 "Notice: • There will be no public election on the annexation proposed by this petition because 130 131 Utah law does not provide for an annexation to be approved by voters at a public election. 132 • If you sign this petition and later decide that you do not support the petition, you may 133 withdraw your signature by submitting a signed, written withdrawal with the recorder or clerk of (state the name of the proposed annexing municipality). If you choose to withdraw your 134 135 signature, you shall do so no later than 30 days after (state the name of the proposed annexing 136 municipality) receives notice that the petition has been certified."; 137 (e) if the petition proposes a cross-county annexation, as defined in Section 10-2-402.5, 138 be accompanied by a copy of the resolution described in Subsection 10-2-402.5(4)(a)(iii)(A): 139 and (f) designate up to five of the signers of the petition as sponsors, one of whom shall be 140 141 designated as the contact sponsor, and indicate the mailing address of each sponsor. 142 (4) A petition under Subsection (1) may not propose the annexation of all or part of an 143 area proposed for annexation to a municipality in a previously filed petition that has not been 144 denied, rejected, or granted. (5) If practicable and feasible, the boundaries of an area proposed for annexation shall 145
  - (a) along the boundaries of existing special districts and special service districts for sewer, water, and other services, along the boundaries of school districts whose boundaries follow city boundaries or school districts adjacent to school districts whose boundaries follow
- 150 city boundaries, and along the boundaries of other taxing entities;

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be drawn:

(b) to eliminate islands and peninsulas of territory that is not receiving municipal-type

152	services;
153	(c) to facilitate the consolidation of overlapping functions of local government;
154	(d) to promote the efficient delivery of services; and
155	(e) to encourage the equitable distribution of community resources and obligations.
156	(6) On the date of filing, the petition sponsors shall deliver or mail a copy of the
157	petition to the clerk of the county in which the area proposed for annexation is located.
158	(7) A property owner who signs an annexation petition may withdraw the owner's
159	signature by filing a written withdrawal, signed by the property owner, with the city recorder or
160	town clerk no later than 30 days after the municipal legislative body's receipt of the notice of
161	certification under Subsection 10-2-405(2)(c)(i).
162	Section 2. Section 10-2-425 (Superseded 07/01/24) is amended to read:
163	10-2-425 (Superseded 07/01/24). Filing of notice and plat Recording and notice
164	requirements Effective date of annexation or boundary adjustment.
165	(1) [The] As used in this section:
166	(a) "Annexation action" means:
167	(i) the enactment of an ordinance annexing an unincorporated area;
168	(ii) an election approving an annexation under Section 10-2a-404;
169	(iii) the enactment of an ordinance approving a boundary adjustment by each of the
170	municipalities involved in the boundary adjustment; or
171	(iv) an automatic annexation $\hat{H} \rightarrow \underline{\text{that occurs on July 1, 2027}} \leftarrow \hat{H} \underline{\text{under}} \hat{H} \rightarrow \underline{[\underline{\text{Section}}]}$
171a	$ \underline{10-2-429} $ Subsection $ \underline{10-2-429(2)(a)}  \leftarrow \hat{H}$ .
172	(b) "Applicable legislative body" means:
173	(i) the legislative body of each municipality that enacts an ordinance under this part
174	approving the annexation of an unincorporated area or the adjustment of a boundary[, or];
175	(ii) the legislative body of an eligible city, as defined in Section 10-2a-403, that
176	annexes an unincorporated island upon the results of an election held in accordance with
177	Section 10-2a-404[ <del>,</del> ]; or
178	(iii) the legislative body of a municipality to which an unincorporated island is
179	automatically annexed under Section 10-2-429.
180	(2) An applicable legislative body shall:
181	(a) within 60 days after [enacting the ordinance or the day of the election or, in the case
182	of a boundary adjustment, within 60 days after each of the municipalities involved in the

183	boundary adjustment has enacted an ordinance] an annexation action, file with the lieutenant
184	governor:
185	(i) a notice of an impending boundary action, as defined in Section 67-1a-6.5, that
186	meets the requirements of Subsection 67-1a-6.5(3); $\hat{H} \rightarrow [and] \leftarrow \hat{H}$
187	(ii) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5; $\hat{H} \rightarrow \underline{and}$
187a	(iii) if applicable, a copy of an agreement under Subsection 10-2-429(2)(a)(ii)(B); ←Ĥ
188	(b) upon the lieutenant governor's issuance of a certificate of annexation or boundary
189	adjustment, as the case may be, under Section 67-1a-6.5:
190	(i) if the annexed area or area subject to the boundary adjustment is located within the
191	boundary of a single county, submit to the recorder of that county the original notice of an
192	impending boundary action, the original certificate of annexation or boundary adjustment, the
193	original approved final local entity plat, and a certified copy of the ordinance approving the
194	annexation or boundary adjustment; or
195	(ii) if the annexed area or area subject to the boundary adjustment is located within the
196	boundaries of more than a single county:
197	(A) submit to the recorder of one of those counties the original notice of impending
198	boundary action, the original certificate of annexation or boundary adjustment, and the original
199	approved final local entity plat;
200	(B) submit to the recorder of each other county a certified copy of the documents listed
201	in Subsection $\hat{H} \rightarrow [(1)(b)(ii)(A)] (2)(b)(ii)(A) \leftarrow \hat{H}$ ; and
202	(C) submit a certified copy of the ordinance approving the annexation or boundary
203	adjustment to each county described in Subsections $\hat{H} \rightarrow [(1)(b)(ii)(A)] (2)(b)(ii)(A) \leftarrow \hat{H}$ and (B);
203a	and
204	(c) concurrently with Subsection $\hat{H} \rightarrow [(1)(b)] (2)(b) \leftarrow \hat{H}$ :
205	(i) send notice of the annexation or boundary adjustment to each affected entity; and
206	(ii) in accordance with Section 26B-4-168, file with the Department of Health and
207	Human Services:
208	(A) a certified copy of the ordinance approving the annexation of an unincorporated
209	area or the adjustment of a boundary, if applicable; and
210	(B) a copy of the approved final local entity plat.
211	[(2)] (3) If an annexation or boundary adjustment under this part or Chapter 2a, Part 4,
212	Incorporation of Metro Townships and Unincorporated Islands in a County of the First Class
213	on and after May 12, 2015, also causes an automatic annexation to a special district under

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214	Section 17B-1-416 or an automatic withdrawal from a special district under Subsection
215	17B-1-502(2), the municipal legislative body shall, as soon as practicable after the lieutenant
216	governor issues a certificate of annexation or boundary adjustment under Section 67-1a-6.5,
217	send notice of the annexation or boundary adjustment to the special district to which the
218	annexed area is automatically annexed or from which the annexed area is automatically
219	withdrawn.
220	[(3)] (4) Each notice required under Subsection (1) relating to an annexation or
221	boundary adjustment shall state the effective date of the annexation or boundary adjustment, as
222	determined under Subsection [ <del>(4)</del> ] <u>(5)</u> .
223	[(4)] (5) An annexation or boundary adjustment under this part is completed and takes
224	effect:
225	(a) for the annexation of or boundary adjustment affecting an area located in a county
226	of the first class, except for an annexation under Section 10-2-418:
227	(i) July 1 following the lieutenant governor's issuance under Section 67-1a-6.5 of a
228	certificate of annexation or boundary adjustment if:
229	(A) the certificate is issued during the preceding November 1 through April 30; and
230	(B) the requirements of Subsection $\hat{H} \rightarrow [\underbrace{(1)}]$ (2) $\leftarrow \hat{H}$ are met before that July 1; or
231	(ii) January 1 following the lieutenant governor's issuance under Section 67-1a-6.5 of a
232	certificate of annexation or boundary adjustment if:
233	(A) the certificate is issued during the preceding May 1 through October 31; and
234	(B) the requirements of Subsection $\hat{H} \rightarrow [\underbrace{(1)}]$ (2) $\leftarrow \hat{H}$ are met before that January 1; and
235	(b) subject to Subsection [(5)] (6), for all other annexations and boundary adjustments,
236	the date of the lieutenant governor's issuance, under Section 67-1a-6.5, of a certificate of
237	annexation or boundary adjustment.
238	$[\underbrace{(5)}]$ (6) If an annexation of an unincorporated island is based upon the results of an
239	election held in accordance with Section 10-2a-404:
240	(a) the county and the annexing municipality may agree to a date on which the
241	annexation is complete and takes effect; and
242	(b) the lieutenant governor shall issue, under Section 67-1a-6.5, a certification of
243	annexation on the date agreed to under Subsection $[\frac{(5)(a)}{(a)}]$ .
244	$\left[\frac{(6)}{(7)}\right]$ (a) As used in this Subsection $\left[\frac{(6)}{(7)}\right]$ :

245	(1) "Affected area" means:
246	(A) in the case of an annexation, the annexed area; and
247	(B) in the case of a boundary adjustment, any area that, as a result of the boundary
248	adjustment, is moved from within the boundary of one municipality to within the boundary of
249	another municipality.
250	(ii) "Annexing municipality" means:
251	(A) in the case of an annexation, the municipality that annexes an unincorporated area
252	or the municipality to which an unincorporated island is automatically annexed under Section
253	<u>10-2-429</u> ; and
254	(B) in the case of a boundary adjustment, a municipality whose boundary includes an
255	affected area as a result of a boundary adjustment.
256	(b) The effective date of an annexation or boundary adjustment for purposes of
257	assessing property within an affected area is governed by Section 59-2-305.5.
258	(c) Until the documents listed in Subsection [(1)(b)(i)] (2)(b)(i) are recorded in the
259	office of the recorder of each county in which the property is located, a municipality may not:
260	(i) levy or collect a property tax on property within an affected area;
261	(ii) levy or collect an assessment on property within an affected area; or
262	(iii) charge or collect a fee for service provided to property within an affected area,
263	unless the municipality was charging and collecting the fee within that area immediately before
264	annexation.
265	Section 3. Section 10-2-425 (Effective 07/01/24) is amended to read:
266	10-2-425 (Effective 07/01/24). Filing of notice and plat Recording and notice
267	requirements Effective date of annexation or boundary adjustment.
268	(1) [The] As used in this section:
269	(a) "Annexation action" means:
270	(i) the enactment of an ordinance annexing an unincorporated area;
271	(ii) an election approving an annexation under Section 10-2a-404;
272	(iii) the enactment of an ordinance approving a boundary adjustment by each of the
273	municipalities involved in the boundary adjustment; or
274	(iv) an automatic annexation $\hat{H} \rightarrow \underline{\text{that occurs on July 1, 2027}} \leftarrow \hat{H} \underline{\text{under}} \hat{H} \rightarrow \text{[Section of the content $
274a	$\frac{10-2-429}{1}$ Subsection $\frac{10-2-429(2)(a)}{10-2-429(2)(a)}$
275	(b) "Applicable legislative body" means:

276	(i) the legislative body of each municipality that enacts an ordinance under this part
277	approving the annexation of an unincorporated area or the adjustment of a boundary[, or];
278	(ii) the legislative body of an eligible city, as defined in Section 10-2a-403, that
279	annexes an unincorporated island upon the results of an election held in accordance with
280	Section 10-2a-404[ <del>-</del> ,]; or
281	(iii) the legislative body of a municipality to which an unincorporated island is
282	automatically annexed under Section 10-2-429.
283	(2) An applicable legislative body shall:
284	(a) within 60 days after [enacting the ordinance or the day of the election or, in the case
285	of a boundary adjustment, within 60 days after each of the municipalities involved in the
286	boundary adjustment has enacted an ordinance] an annexation action, file with the lieutenant
287	governor:
288	(i) a notice of an impending boundary action, as defined in Section 67-1a-6.5, that
289	meets the requirements of Subsection 67-1a-6.5(3); $\hat{H} \rightarrow [and] \leftarrow \hat{H}$
290	(ii) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5; $\hat{H} \rightarrow \underline{and}$
290a	(iii) if applicable, a copy of an agreement under Subsection 10-2-429(2)(a)(ii)(B); ←Ĥ
291	(b) upon the lieutenant governor's issuance of a certificate of annexation or boundary
292	adjustment, as the case may be, under Section 67-1a-6.5:
293	(i) if the annexed area or area subject to the boundary adjustment is located within the
294	boundary of a single county, submit to the recorder of that county the original notice of an
295	impending boundary action, the original certificate of annexation or boundary adjustment, the
296	original approved final local entity plat, and a certified copy of the ordinance approving the
297	annexation or boundary adjustment; or
298	(ii) if the annexed area or area subject to the boundary adjustment is located within the
299	boundaries of more than a single county:
300	(A) submit to the recorder of one of those counties the original notice of impending
301	boundary action, the original certificate of annexation or boundary adjustment, and the original
302	approved final local entity plat;
303	(B) submit to the recorder of each other county a certified copy of the documents listed
304	in Subsection (1)(b)(ii)(A); and
305	(C) submit a certified copy of the ordinance approving the annexation or boundary
306	adjustment to each county described in Subsections (1)(b)(ii)(A) and (B); and

307	(c) concurrently with Subsection (1)(b):
308	(i) send notice of the annexation or boundary adjustment to each affected entity; and
309	(ii) in accordance with Section 53-2d-514, file with the Bureau of Emergency Medical
310	Services:
311	(A) a certified copy of the ordinance approving the annexation of an unincorporated
312	area or the adjustment of a boundary, if applicable; and
313	(B) a copy of the approved final local entity plat.
314	[(2)] (3) If an annexation or boundary adjustment under this part or Chapter 2a, Part 4,
315	Incorporation of Metro Townships and Unincorporated Islands in a County of the First Class
316	on and after May 12, 2015, also causes an automatic annexation to a special district under
317	Section 17B-1-416 or an automatic withdrawal from a special district under Subsection
318	17B-1-502(2), the municipal legislative body shall, as soon as practicable after the lieutenant
319	governor issues a certificate of annexation or boundary adjustment under Section 67-1a-6.5,
320	send notice of the annexation or boundary adjustment to the special district to which the
321	annexed area is automatically annexed or from which the annexed area is automatically
322	withdrawn.
323	[(3)] (4) Each notice required under Subsection (1) relating to an annexation or
324	boundary adjustment shall state the effective date of the annexation or boundary adjustment, as
325	determined under Subsection [(4)] (5).
326	[(4)] (5) An annexation or boundary adjustment under this part is completed and takes
327	effect:
328	(a) for the annexation of or boundary adjustment affecting an area located in a county
329	of the first class, except for an annexation under Section 10-2-418:
330	(i) July 1 following the lieutenant governor's issuance under Section 67-1a-6.5 of a
331	certificate of annexation or boundary adjustment if:
332	(A) the certificate is issued during the preceding November 1 through April 30; and
333	(B) the requirements of Subsection (1) are met before that July 1; or
334	(ii) January 1 following the lieutenant governor's issuance under Section 67-1a-6.5 of a
335	certificate of annexation or boundary adjustment if:
336	(A) the certificate is issued during the preceding May 1 through October 31; and
337	(B) the requirements of Subsection (1) are met before that January 1; and

338	(b) subject to Subsection $[(5)]$ $(6)$ , for all other annexations and boundary adjustments,
339	the date of the lieutenant governor's issuance, under Section 67-1a-6.5, of a certificate of
340	annexation or boundary adjustment.
341	[(5)] (6) If an annexation of an unincorporated island is based upon the results of an
342	election held in accordance with Section 10-2a-404:
343	(a) the county and the annexing municipality may agree to a date on which the
344	annexation is complete and takes effect; and
345	(b) the lieutenant governor shall issue, under Section 67-1a-6.5, a certification of
346	annexation on the date agreed to under Subsection $[(5)(a)]$ $(6)(a)$ .
347	[(6)] $(7)$ (a) As used in this Subsection $[(6)]$ $(7)$ :
348	(i) "Affected area" means:
349	(A) in the case of an annexation, the annexed area; and
350	(B) in the case of a boundary adjustment, any area that, as a result of the boundary
351	adjustment, is moved from within the boundary of one municipality to within the boundary of
352	another municipality.
353	(ii) "Annexing municipality" means:
354	(A) in the case of an annexation, the municipality that annexes an unincorporated area
355	or the municipality to which an unincorporated island is automatically annexed under Section
356	<u>10-2-429</u> ; and
357	(B) in the case of a boundary adjustment, a municipality whose boundary includes an
358	affected area as a result of a boundary adjustment.
359	(b) The effective date of an annexation or boundary adjustment for purposes of
360	assessing property within an affected area is governed by Section 59-2-305.5.
361	(c) Until the documents listed in Subsection $[(1)(b)(i)]$ (2)(b)(i) are recorded in the
362	office of the recorder of each county in which the property is located, a municipality may not:
363	(i) levy or collect a property tax on property within an affected area;
364	(ii) levy or collect an assessment on property within an affected area; or
365	(iii) charge or collect a fee for service provided to property within an affected area,
366	unless the municipality was charging and collecting the fee within that area immediately before
367	annexation.
368	Section 4. Section 10-2-429 is enacted to read:

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369	10-2-429. Automatic annexations in county of the first class.
370	(1) As used in this section:
371	(a) "Most populous bordering municipality" means the municipality with the highest
372	population of any municipality that shares a common border with an unincorporated island.
373	(b) "Unincorporated island" means an area that is:
374	(i) within a county of the first class;
375	(ii) not within a municipality; and
376	(iii) completely surrounded by municipalities within the county of the first class.
377	(2) (a) Notwithstanding any other provision of this part, on July 1, 2027 an
378	unincorporated island is automatically annexed to $\hat{H} \rightarrow :$
378a	(i) $\leftarrow \hat{H}$ the most populous bordering municipality $\hat{H} \rightarrow$ , except as provided in Subsection
878b	(2)(a)(ii); or
378c	(ii) a municipality other than the most populous bordering municipality if:
378d	(A) the other municipality shares a common border with the unincorporated island;
378e	<u>and</u>
378f	(B) the other municipality and the most populous bordering municipality agree in
878g	writing that the unincorporated island should be annexed to the other municipality $\leftarrow \hat{H}$ .
379	(b) The effective date of an annexation under Subsection (2)(a) is governed by Section
380	<u>10-2-425.</u>
381	Section 5. Section 10-2a-102 is amended to read:
382	10-2a-102. Definitions.
383	(1) As used in this [part and Part 2, Incorporation of a Municipality] chapter:
384	(a) "Community council area" means the cumulative areas within the geographic
385	boundary of a community council that is formally recognized by a county of the first class
386	pursuant to county ordinance.
387	[(a)] (b) "Contact sponsor" means the person designated in the feasibility request as the
388	contact sponsor under Subsection 10-2a-202(2)(d).
389	[(b)] (c) (i) "Contiguous" means, except as provided in Subsection (1)(b)(ii), the same
390	as that term is defined in Section 10-1-104.
391	(ii) "Contiguous" does not include a circumstance where:
392	(A) two areas of land are only connected by a strip of land between geographically
393	separate areas; and
394	(B) the distance between the geographically separate areas described in Subsection
395	[(1)(h)(i)(A)] (1)(c)(ii)(A) is greater than the average width of the strip of land connecting the

396	geographically separate areas.
397	[(c)] (d) "Feasibility consultant" means a person or firm:
398	(i) with expertise in the processes and economics of local government; and
399	(ii) who is independent of and not affiliated with a county or sponsor of a petition to

400	incorporate.
401	[ <del>(d)</del> ] <u>(e)</u> "Feasibility request" means a request, described in Section 10-2a-202, for a
402	feasibility study for the proposed incorporation of a municipality.
403	[(e)] (f) (i) "Municipal service" means any of the following that are publicly provided:
404	(A) culinary water;
405	(B) secondary water;
406	(C) sewer service;
407	(D) storm drainage or flood control;
408	(E) recreational facilities or parks;
409	(F) electrical power generation or distribution;
410	(G) construction or maintenance of local streets and roads;
411	(H) street lighting;
412	(I) curb, gutter, and sidewalk maintenance;
413	(J) law or code enforcement service;
414	(K) fire protection service;
415	(L) animal services;
416	(M) planning and zoning;
417	(N) building permits and inspections;
418	(O) refuse collection; or
419	(P) weed control.
420	(ii) "Municipal service" includes the physical facilities required to provide a service
421	described in Subsection $[\frac{(1)(e)(i)}{(1)(f)(i)}]$ .
422	[(f)] (g) "Private," with respect to real property, means taxable property.
423	(2) For purposes of this part:
424	(a) the owner of real property shall be the record title owner according to the records of
425	the county recorder on the date of the filing of the feasibility request or petition for
426	incorporation; and
427	(b) the assessed fair market value of private real property shall be determined
428	according to the last assessment roll for county taxes before the filing of the feasibility request
429	or petition for incorporation.
430	(3) For purposes of each provision of this part that requires the owners of private real

431	property covering a percentage or fraction of the total private land area within an area to sign a
432	feasibility request or a petition for incorporation:
433	(a) a parcel of real property may not be included in the calculation of the required
434	percentage or fraction unless the feasibility request or petition for incorporation is signed by:
435	(i) except as provided in Subsection (3)(a)(ii), owners representing a majority
436	ownership interest in that parcel; or
437	(ii) if the parcel is owned by joint tenants or tenants by the entirety, 50% of the number
438	of owners of that parcel;
439	(b) the signature of a person signing a feasibility request or a petition for incorporation
440	in a representative capacity on behalf of an owner is invalid unless:
441	(i) the person's representative capacity and the name of the owner the person represents
442	are indicated on the feasibility request or petition for incorporation with the person's signature;
443	and
444	(ii) the person provides documentation accompanying the feasibility request or petition
445	for incorporation that substantiates the person's representative capacity; and
446	(c) subject to Subsection (3)(b), a duly appointed personal representative may sign a
447	feasibility request or a petition for incorporation on behalf of a deceased owner.
448	Section 6. Section 10-2a-103 is amended to read:
449	10-2a-103. Incorporation of a contiguous area Incorporation involving more
450	than one county.
451	(1) (a) [A] An unincorporated contiguous area of a county not within a municipality
452	may incorporate as a municipality as provided in this chapter.
453	(b) Two or more noncontiguous unincorporated areas within a county of the first class
454	may incorporate as a municipality, as provided in this chapter, if those areas constitute a
455	community council area.
456	(2) If a proposed incorporation relates to an area in more than one county:
457	(a) the individual who files the feasibility request shall file the request with each
458	county containing a portion of the area proposed for incorporation; and
459	(b) the counties shall work together, in accordance with direction given by the
460	lieutenant governor, to complete the actions required by this chapter.

Section 7. Section **10-2a-201.5** is amended to read:

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402	10-2a-201.5. Qualifications for incorporation.
463	(1) (a) An area may incorporate as a town in accordance with this part if the area:
464	(i) (A) is contiguous; or
465	(B) is a community council area;
466	(ii) has a population of at least 100 people, but fewer than 1,000 people; and
467	(iii) is not already part of a municipality.
468	(b) An area may incorporate as a city in accordance with this part if the area:
469	(i) (A) is contiguous; or
470	(B) is a community council area;
471	(ii) has a population of 1,000 people or more; and
472	(iii) is not already part of a municipality.
473	(2) (a) An area may not incorporate under this part if:
474	(i) the area has a population of fewer than 100 people; or
475	(ii) except as provided in Subsection (2)(b), the area has an average population density
476	of fewer than seven people per square mile.
477	(b) Subsection (2)(a)(ii) does not prohibit incorporation of an area if:
478	(i) noncompliance with Subsection (2)(a)(ii) is necessary to connect separate areas that
479	share a demonstrable community interest; and
480	(ii) the area is contiguous.
481	(3) An area incorporating under this part may not include land owned by the United
482	States federal government unless:
483	(a) the area, including the land owned by the United States federal government, is
484	contiguous; and
485	(b) (i) incorporating the land is necessary to connect separate areas that share a
486	demonstrable community interest; or
487	(ii) excluding the land from the incorporating area would create an unincorporated
488	island within the proposed municipality.
489	(4) (a) Except as provided in Subsection (4)(b), an area incorporating under this part
490	may not include some or all of an area proposed for annexation in an annexation petition under
491	Section 10-2-403 that:
492	(i) was filed before the filing of the request for a feasibility study, described in Section

493	10-2a-202, relating to the incorporating area; and
494	(ii) is still pending on the date the request for the feasibility study described in
495	Subsection (4)(a)(i) is filed.
496	(b) A feasibility request may propose for incorporation an area that includes some or
497	all of an area proposed for annexation in an annexation petition described in Subsection (4)(a)
498	if:
499	(i) the proposed annexation area that is part of the area proposed for incorporation does
500	not exceed 20% of the area proposed for incorporation;
501	(ii) the feasibility request complies with Subsections 10-2a-202(1) through (4) with
502	respect to excluding the proposed annexation area from the area proposed for incorporation;
503	and
504	(iii) excluding the area proposed for annexation from the area proposed for
505	incorporation would not cause the area proposed for incorporation to not be contiguous.
506	(c) Except as provided in Section 10-2a-206, the lieutenant governor shall consider
507	each feasibility request to which Subsection (4)(b) applies as not proposing the incorporation of
508	an area proposed for annexation.
509	(5) (a) An area incorporating under this part may not include part of a parcel of real
510	property and exclude part of that same parcel unless the owner of the parcel gives written
511	consent to exclude part of the parcel.
512	(b) A piece of real property that has more than one parcel number is considered to be a
513	single parcel for purposes of Subsection (5)(a) if owned by the same owner.
514	Section 8. Section 10-2a-202 is amended to read:
515	10-2a-202. Feasibility request Requirements Limitations.
516	(1) The process to incorporate [a contiguous area of a county] an unincorporated area
517	as a municipality is initiated by an individual filing a feasibility request, with the county clerk
518	of the county where the area proposed to be incorporated is located, that includes:
519	(a) the signatures of the owners of private real property that:
520	(i) is located within the area proposed to be incorporated;
521	(ii) covers at least 10% of the total private land area within the area; and

(iii) is, as of January 1 of the current year, equal in assessed fair market value to at least

7% of the assessed fair market value of all private real property within the area; and

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524	(b) the typed or printed name and current residence address of each owner signing the
525	request.
526	(2) The feasibility request shall include:
527	(a) a description of the [contiguous] unincorporated area proposed to be incorporated
528	as a municipality;
529	(b) a designation of up to five signers of the request as sponsors, one of whom is
530	designated as the contact sponsor, with the mailing address and telephone number of each;
531	(c) an accurate map or plat, prepared by a licensed surveyor, showing a legal
532	description of the boundaries of the proposed municipality; and
533	(d) a request that the lieutenant governor commission a study to determine the
534	feasibility of incorporating the area as a municipality.
535	(3) The individual described in Subsection (1) shall, on the day on which the individual
536	files the feasibility request with the county clerk, provide to the lieutenant governor:
537	(a) written notice that the individual filed the feasibility request that indicates the day
538	on which the individual filed the feasibility request; and
539	(b) a complete copy of the feasibility request.
540	(4) A feasibility request may not propose for incorporation an area that includes some
541	or all of an area that is the subject of a completed feasibility study or supplemental feasibility
542	study whose results comply with Subsection 10-2a-205(5)(a) unless:
543	(a) the proposed incorporation that is the subject of the completed feasibility study or
544	supplemental feasibility study has been defeated by the voters at an election under Section
545	10-2a-210; or
546	(b) the time described in Subsection 10-2a-208(1) for filing an incorporation petition
547	based on the completed feasibility study or supplemental feasibility study has elapsed without
548	the sponsors filing an incorporation petition under Section 10-2a-208.
549	(5) Sponsors may not file a feasibility request relating to the incorporation of a town if
550	the cumulative private real property that the sponsors own exceeds 40% of the total private
551	land area within the boundaries of the proposed town.
552	Section 9. Section 10-2a-204.5 is amended to read:
553	10-2a-204.5. Notice to owner of property Exclusion or inclusion of property

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from or in proposed municipality.

555	(1) As used in this section:
556	(a) "Owner" means a person having an interest in real property, including an affiliate,
557	subsidiary, or parent company.
558	(b) "Specified landowner" means a record owner of real property:
559	(i) who owns more than:
560	(A) 1% of the assessed fair market value, as of January 1 of the current year, of all
561	property within the boundaries of a proposed incorporation; or
562	(B) 10% of the total private land area within the boundaries of a proposed
563	incorporation; or
564	(ii) located in a mining protection area as defined in Section 17-41-101.
565	(2) Within 30 calendar days after the day of the first public hearing described in
566	Section 10-2a-204.3:
567	(a) a specified landowner may request that the county clerk exclude all or part of the
568	land owned by the specified landowner from the area proposed for incorporation by filing a
569	request for exclusion with the county clerk that describes the land for which the specified
570	landowner requests exclusion; or
571	(b) any owner of land located within the county where the area proposed for
572	incorporation is located may file a request that all or part of that land be included in the area
573	proposed for incorporation by filing a request for inclusion with the county clerk that describes
574	the land that the landowner desires to include.
575	(3) The county clerk shall exclude the land identified by a specified landowner under
576	Subsection (2)(a) from the proposed incorporation boundaries unless the county clerk finds by
577	clear and convincing evidence that:
578	(a) except for a proposed incorporation of a community council area, the exclusion will
579	leave an unincorporated island within the proposed municipality; and
580	(b) the land receives from the county a majority of currently provided municipal
581	services.
582	(4) The county clerk shall include land identified by a landowner under Subsection

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(a) except for a proposed incorporation of a community council area, the land will not

(2)(b) in the area proposed for incorporation unless the county clerk finds by clear and

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convincing evidence that:

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(c) forward to the county clerk:

(i) the lieutenant governor's final determinations; and

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586	be contiguous with the area of the proposed municipality, taking into account other requests for
587	inclusion or requests for exclusion received before the deadline described in Subsection (2); or
588	(b) the inclusion will cause the area proposed for incorporation to violate a requirement
589	for incorporation described in this part.
590	(5) The county clerk shall:
591	(a) no earlier than 30 days after, but no later than 44 days after, the day of the first
592	public hearing described in Section 10-2a-204.3, make a determination on all timely requests
593	for exclusion or inclusion;
594	(b) forward to the lieutenant governor for review:
595	(i) all timely requests for exclusion or inclusion;
596	(ii) the county clerk's determination on each of the requests described in Subsection
597	(5)(b)(i); and
598	(iii) the reasons, including the supporting data, for each determination described in
599	Subsection (5)(b)(ii); and
600	(c) within five days after the day on which the lieutenant governor makes a final
601	determination on whether to include or exclude land under Subsection (7), the county clerk
602	shall mail or transmit written notice of whether the land is included or excluded from the
603	proposed incorporation boundaries to:
604	(i) for a request for exclusion, the specified landowner that requested the exclusion;
605	(ii) for a request for inclusion, the owner of land that requested the inclusion; and
606	(iii) the contact sponsor.
607	(6) For a request for exclusion or inclusion that is denied, the county clerk shall
608	include, in the written notice described in Subsection (5)(c), a detailed explanation of the
609	reason for the denial and the facts supporting the denial.
610	(7) Within 14 days after the day on which the lieutenant governor receives the
611	information described in Subsection (5)(b) the lieutenant governor shall:
612	(a) review each determination;
613	(b) uphold or reverse each determination; and

(ii) if the lieutenant governor reverses a determination of the county clerk, the reason

617	for the reversal and the supporting facts.
618	Section 10. Section 10-2a-205 is amended to read:
619	10-2a-205. Feasibility study Feasibility study consultant Qualifications for
620	proceeding with incorporation.
621	(1) Unless the lieutenant governor rescinds the certification under Subsection
622	10-2a-204(7)(b), the lieutenant governor shall, within 90 days after the day on which the
623	lieutenant governor certifies a feasibility request under Subsection 10-2a-204(5)(a), in
624	accordance with Subsection (2), engage a feasibility consultant to conduct a feasibility study.
625	(2) The lieutenant governor shall:
626	(a) select a feasibility consultant in accordance with Title 63G, Chapter 6a, Utah
627	Procurement Code;
628	(b) ensure that the feasibility consultant:
629	(i) has expertise in the processes and economics of local government; and
630	(ii) is not affiliated with a sponsor of the feasibility request or the county in which the
631	proposed municipality is located; and
632	(c) require the feasibility consultant to:
633	(i) submit a draft of the feasibility study to each applicable person with whom the
634	feasibility consultant is required to consult under Subsection (3)(c) within 90 days after the day
635	on which the lieutenant governor engages the feasibility consultant to conduct the study;
636	(ii) allow each person to whom the consultant provides a draft under Subsection
637	(2)(c)(i) to review and provide comment on the draft;
638	(iii) submit a completed feasibility study, including a one-page summary of the results,
639	to the following within 120 days after the day on which the lieutenant governor engages the
640	feasibility consultant to conduct the feasibility study:
641	(A) the lieutenant governor;
642	(B) the county legislative body of the county in which the incorporation is proposed;
643	(C) the contact sponsor; and
644	(D) each person to whom the consultant provided a draft under Subsection (2)(c)(i);
645	and
646	(iv) attend the public hearings described in Section 10-2a-207 to present the feasibility
647	study results and respond to questions from the public.

(3) (a) The feasibility study shall include:

- (i) an analysis of the population and population density within the area proposed for incorporation and the surrounding area;
- (ii) the current and projected five-year demographics and tax base within the boundaries of the proposed municipality and surrounding area, including household size and income, commercial and industrial development, and public facilities;
- (iii) subject to Subsection (3)(b), the current and five-year projected cost of providing municipal services to the proposed municipality, including administrative costs;
- (iv) assuming the same tax categories and tax rates as currently imposed by the county and all other current service providers, the present and five-year projected revenue for the proposed municipality;
- (v) an analysis of the risks and opportunities that might affect the actual costs described in Subsection (3)(a)(iii) or revenues described in Subsection (3)(a)(iv) of the newly incorporated municipality;
- (vi) an analysis of new revenue sources that may be available to the newly incorporated municipality that are not available before the area incorporates, including an analysis of the amount of revenues the municipality might obtain from those revenue sources;
- (vii) the projected tax burden per household of any new taxes that may be levied within the proposed municipality within five years after incorporation;
- (viii) the fiscal impact of the municipality's incorporation on unincorporated areas, other municipalities, special districts, special service districts, and other governmental entities in the county; and
- (ix) if the county clerk excludes property from, or includes property in, the proposed municipality under Section 10-2a-204.5, an update to the map and legal description described in Subsection 10-2a-202(2)(c).
- (b) (i) In calculating the projected costs under Subsection (3)(a)(iii), the feasibility consultant shall:
- (A) with respect to municipal services that the proposed municipality will itself provide, assume that the proposed municipality will provide a level and quality of municipal services that fairly and reasonably approximate the level and quality of municipal services that are provided to the area of the proposed municipality at the time the feasibility consultant

679 conducts the feasibility study[-];

(B) evaluate and detail the expected cost savings and qualitative benefits of a service provider other than the proposed municipality providing some municipal services; and

- (C) incorporate into the overall cost projection for the proposed municipality the potential for municipal services to be provided by a service provider other than the proposed municipality.
- (ii) In calculating the current cost of a municipal service under Subsection (3)(a)(iii), the feasibility consultant shall consider:
- (A) the amount it would cost the proposed municipality to provide the municipal service for the first five years after the municipality's incorporation; and
- (B) the current municipal service provider's present and five-year projected cost of providing the municipal service.
- (iii) In calculating costs under Subsection (3)(a)(iii), the feasibility consultant shall account for inflation and anticipated growth.
- (c) In conducting the feasibility study, the feasibility consultant shall consult with the following before submitting a draft of the feasibility study under Subsection (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 within state government that has jurisdiction over the land;
- (iii) each entity that provides a municipal service to a portion of the proposed municipality; and
- (iv) each other special service district that provides services to a portion of the proposed municipality.
- (4) If the five-year projected revenues calculated under Subsection (3)(a)(iv) exceed the five-year projected costs calculated under Subsection (3)(a)(iii) by more than 5%, the feasibility consultant shall project and report the expected annual revenue surplus to the contact sponsor and the lieutenant governor.
- (5) (a) Except as provided in Subsection (5)(b), if the results of the feasibility study, or a supplemental feasibility study described in Section 10-2a-206, show that the average annual

- amount of revenue calculated under Subsection (3)(a)(iv) does not exceed the average annual cost calculated under Subsection (3)(a)(iii) by more than 5%, the process to incorporate the area that is the subject of the feasibility study or supplemental feasibility study may not proceed.
- (b) The process to incorporate an area described in Subsection (5)(a) may proceed if a subsequent supplemental feasibility study conducted under Section 10-2a-206 for the proposed incorporation demonstrates compliance with Subsection (5)(a).
- (6) If the results of the feasibility study or revised feasibility study do not comply with Subsection (5), and if requested by the sponsors of the request, the feasibility consultant shall, as part of the feasibility study or revised feasibility study, make recommendations regarding how the boundaries of the proposed municipality may be altered to comply with Subsection (5).
- (7) The lieutenant governor shall post a copy of the feasibility study, and any supplemental feasibility study described in Section 10-2a-206, on the lieutenant governor's website and make a copy available for public review at the lieutenant governor's office.
  - Section 11. Section 10-2a-210 is amended to read:

## 10-2a-210. Incorporation election -- Notice of election -- Voter information pamphlet.

- (1) (a) If the county clerk certifies a petition for incorporation under Subsection 10-2a-209(1)(b), the lieutenant governor shall schedule an incorporation election for the proposed municipality described in the petition for incorporation to be held on the date of the next regular general election described in Section 20A-1-201, or the next municipal general election described in Section 20A-1-202, that is at least 65 days after the day on which the county clerk certifies the petition for incorporation.
- (b) (i) The lieutenant governor shall direct the county legislative body of the county in which the proposed municipality is located to hold the election on the date that the lieutenant governor schedules under Subsection (1)(a).
- (ii) The county legislative body shall hold the election as directed by the lieutenant governor under Subsection (1)(b)(i).
- (2) The county clerk shall provide notice of the election for the area proposed to be incorporated, as a class B notice under Section 63G-30-102, for at least three weeks before the

741	day of the election.
742	(3) (a) The notice described in Subsection (2) shall include:
743	(i) a statement of the contents of the petition for incorporation;
744	(ii) a description of the area proposed to be incorporated as a municipality;
745	(iii) a statement of the date and time of the election and the location of polling places;
746	and
747	(iv) except as provided in Subsection (3)(b), the feasibility study summary described in
748	Subsection 10-2a-205(2)(c)(iii) and a statement that a full copy of the study is available on the
749	county's website and for inspection at the county offices.
750	(b) Instead of including the feasibility summary under Subsection (3)(a)(iv), the notice
751	may include a statement that specifies the following sources where a registered voter in the area
752	proposed to be incorporated may view or obtain a copy of the feasibility study:
753	(i) the county's website;
754	(ii) the physical address of the county clerk office; and
755	(iii) a mailing address and telephone number.
756	(4) (a) In addition to the notice described in Subsection (2), the county clerk shall
757	publish and distribute, before the incorporation election is held, a voter information pamphlet:
758	(i) in accordance with the procedures and requirements of Section 20A-7-402;
759	(ii) in consultation with the lieutenant governor; and
760	(iii) in a manner that the county clerk determines is adequate, subject to Subsections
761	(4)(a)(i) and (ii).
762	(b) The voter information pamphlet described in Subsection (4)(a):
763	(i) shall inform the public of the proposed incorporation; and
764	(ii) may include written statements, printed in the same font style and point size, from
765	proponents and opponents of the proposed incorporation.
766	(5) An individual may not vote in an incorporation election under this section unless
767	the individual is a registered voter who is a resident, as defined in Section 20A-1-102, within
768	the boundaries of the proposed municipality.
769	(6) (a) [H] Subject to Subsection (6)(b), if a majority of those who vote in an
770	incorporation election held under this section cast votes in favor of incorporation, the area shall

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incorporate.

772 (b) (i) As used in this Subsection (6)(b): 773 (A) "Approving separate area" means a separate area in which a majority of those 774 voting in an incorporation election for the incorporation of a community council area vote in 775 favor of incorporation. 776 (B) "Separate area" means an area within a community council area that is divided 777 from other areas within the community council area by areas within one or more 778 municipalities. 779 (ii) If a majority of those within a separate area voting in an incorporation election for 780 the incorporation of a community council area vote against incorporation, that separate area is 781 excluded from the incorporation. 782 (iii) Approving separate areas are incorporated as a municipality if the combined total 783 population within all approving separate areas is at least 80% of the population within the 784 community council area. 785 Section 12. Section **17B-1-414** is amended to read: 786 17B-1-414. Resolution approving an annexation -- Filing of notice and plat with 787 lieutenant governor -- Recording requirements -- Effective date. 788 (1) (a) Subject to Subsection (1)(b), the special district board shall adopt a resolution 789 approving the annexation of the area proposed to be annexed or rejecting the proposed 790 annexation within 90 days after: 791 (i) expiration of the protest period under Subsection 17B-1-412(2), if sufficient protests 792 to require an election are not filed; 793 (ii) for a petition that meets the requirements of Subsection 17B-1-413(1): 794 (A) a public hearing under Section 17B-1-409 is held, if the board chooses or is 795 required to hold a public hearing under Subsection 17B-1-413(2)(a)(ii); or 796 (B) expiration of the time for submitting a request for public hearing under Subsection 797 17B-1-413(2)(a)(ii)(B), if no request is submitted and the board chooses not to hold a public 798 hearing. 799 (b) If the special district has entered into an agreement with the United States that 800 requires the consent of the United States for an annexation of territory to the district, a

resolution approving annexation under this part may not be adopted until the written consent of

the United States is obtained and filed with the board of trustees.

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803	(2) (a) (i) Within the time specified under Subsection (2)(a)(ii), the board shall file with
804	the lieutenant governor:
805	(A) a copy of a notice of an impending boundary action, as defined in Section
806	67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3) and, if applicable,
807	Subsection (2)(b); and
808	(B) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5.
809	(ii) The board shall file the documents listed in Subsection (2)(a)(i) with the lieutenant
810	governor:
811	(A) within 30 days after adoption of a resolution under Subsection (1), Subsection
812	17B-1-412(3)(c)(i), or Section 17B-1-415; and
813	(B) as soon as practicable after receiving the notice under Subsection [ <del>10-2-425(2)</del> ]
814	10-2-425(3) of a municipal annexation that causes an automatic annexation to a special district
815	under Section 17B-1-416.
816	(b) For an automatic annexation to a special district under Section 17B-1-416, the
817	notice of an impending boundary action required under Subsection (2)(a) shall state that an area
818	outside the boundaries of the special district is being automatically annexed to the special
819	district under Section 17B-1-416 because of a municipal annexation under Title 10, Chapter 2,
820	Part 4, Annexation.
821	(c) Upon the lieutenant governor's issuance of a certificate of annexation under Section
822	67-1a-6.5, the board shall:
823	(i) if the annexed area is located within the boundary of a single county, submit to the
824	recorder of that county:
825	(A) the original:
826	(I) notice of an impending boundary action;
827	(II) certificate of annexation; and
828	(III) approved final local entity plat; and
829	(B) a certified copy of the annexation resolution; or
830	(ii) if the annexed area is located within the boundaries of more than a single county:
831	(A) submit to the recorder of one of those counties:
832	(I) the original of the documents listed in Subsections (2)(c)(i)(A)(I), (II), and (III); and
833	(II) a certified copy of the annexation resolution; and

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834	(B) submit to the recorder of each other county:
835	(I) a certified copy of the documents listed in Subsection (2)(c)(i)(A)(I), (II), and (III);
836	and
837	(II) a certified copy of the annexation resolution.
838	(3) (a) As used in this Subsection (3), "fire district annexation" means an annexation
839	under this part of an area located in a county of the first class to a special district:
840	(i) created to provide fire protection, paramedic, and emergency services; and
841	(ii) in the creation of which an election was not required because of Subsection
842	17B-1-214(3)(d).
843	(b) An annexation under this part is complete and becomes effective:
844	(i) (A) on July 1 for a fire district annexation, if the lieutenant governor issues the
845	certificate of annexation under Section 67-1a-6.5 from January 1 through June 30; or
846	(B) on January 1 for a fire district annexation, if the lieutenant governor issues the
847	certificate of annexation under Section 67-1a-6.5 from July 1 through December 31; or
848	(ii) upon the lieutenant governor's issuance of the certificate of annexation under
849	Section 67-1a-6.5, for any other annexation.
850	(c) (i) The effective date of a special district annexation for purposes of assessing
851	property within the annexed area is governed by Section 59-2-305.5.
852	(ii) Until the documents listed in Subsection (2)(c) are recorded in the office of the
853	recorder of each county in which the property is located, a special district may not:
854	(A) levy or collect a property tax on property within the annexed area;
855	(B) levy or collect an assessment on property within the annexed area; or
856	(C) charge or collect a fee for service provided to property within the annexed area.
857	(iii) Subsection (3)(c)(ii)(C):
858	(A) may not be construed to limit a special district's ability before annexation to charge
859	and collect a fee for service provided to property that is outside the special district's boundary;
860	and
861	(B) does not apply until 60 days after the effective date, under Subsection (3)(b), of the
862	special district's annexation, with respect to a fee that the special district was charging for
863	service provided to property within the annexed area immediately before the area was annexed
864	to the special district.

803	Section 13. Section 1/B-1-512 is amended to read:
866	17B-1-512. Filing of notice and plat Recording requirements Contest period
867	Judicial review.
868	(1) (a) Within the time specified in Subsection (1)(b), the board of trustees shall file
869	with the lieutenant governor:
870	(i) a copy of a notice of an impending boundary action, as defined in Section 67-1a-6.5,
871	that meets the requirements of Subsection 67-1a-6.5(3); and
872	(ii) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5.
873	(b) The board of trustees shall file the documents listed in Subsection (1)(a):
874	(i) within 10 days after adopting a resolution approving a withdrawal under Section
875	17B-1-510;
876	(ii) on or before January 31 of the year following the board of trustees' receipt of a
877	notice or copy described in Subsection (1)(c), if the board of trustees receives the notice or
878	copy between July 1 and December 31; or
879	(iii) on or before the July 31 following the board of trustees' receipt of a notice or copy
880	described in Subsection (1)(c), if the board of trustees receives the notice or copy between
881	January 1 and June 30.
882	(c) The board of trustees shall comply with the requirements described in Subsection
883	(1)(b)(ii) or (iii) after:
884	(i) receiving:
885	(A) a notice under Subsection $[\frac{10-2-425(2)}{2}]$ $\underline{10-2-425(3)}$ of an automatic withdrawal
886	under Subsection 17B-1-502(2);
887	(B) a copy of the municipal legislative body's resolution approving an automatic
888	withdrawal under Subsection 17B-1-502(3)(a); or
889	(C) notice of a withdrawal of a municipality from a special district under Section
890	17B-1-502; or
891	(ii) entering into an agreement with a municipality under Subsection
892	17B-1-505(5)(a)(ii)(A) or (5)(b).
893	(d) Upon the lieutenant governor's issuance of a certificate of withdrawal under Section
894	67-1a-6.5, the board shall:
895	(i) if the withdrawn area is located within the boundary of a single county, submit to

896	the recorder of that county:
897	(A) the original:
898	(I) notice of an impending boundary action;
899	(II) certificate of withdrawal; and
900	(III) approved final local entity plat; and
901	(B) if applicable, a certified copy of the resolution or notice referred to in Subsection
902	(1)(b); or
903	(ii) if the withdrawn area is located within the boundaries of more than a single county,
904	submit:
905	(A) the original of the documents listed in Subsections (1)(d)(i)(A)(I), (II), and (III)
906	and, if applicable, a certified copy of the resolution or notice referred to in Subsection (1)(b) to
907	one of those counties; and
908	(B) a certified copy of the documents listed in Subsections (1)(d)(i)(A)(I), (II), and (III)
909	and a certified copy of the resolution or notice referred to in Subsection (1)(b) to each other
910	county.
911	(2) (a) Upon the lieutenant governor's issuance of the certificate of withdrawal under
912	Section 67-1a-6.5 for a withdrawal under Section 17B-1-510, for an automatic withdrawal
913	under Subsection 17B-1-502(3), or for the withdrawal of a municipality from a special district
914	under Section 17B-1-505, the withdrawal shall be effective, subject to the conditions of the
915	withdrawal resolution, if applicable.
916	(b) An automatic withdrawal under Subsection 17B-1-502(3) shall be effective upon
917	the lieutenant governor's issuance of a certificate of withdrawal under Section 67-1a-6.5.
918	(3) (a) The special district may provide for the publication of any resolution approving
919	or denying the withdrawal of an area:
920	(i) in a newspaper of general circulation in the area proposed for withdrawal; and
921	(ii) as required in Section 45-1-101.
922	(b) In lieu of publishing the entire resolution, the special district may publish a notice
923	of withdrawal or denial of withdrawal, containing:
924	(i) the name of the special district;
925	(ii) a description of the area proposed for withdrawal;
926	(iii) a brief explanation of the grounds on which the board of trustees determined to

approve or deny the withdrawal; and

(iv) the times and place where a copy of the resolution may be examined, which shall be at the place of business of the special district, identified in the notice, during regular business hours of the special district as described in the notice and for a period of at least 30 days after the publication of the notice.

- (4) Any sponsor of the petition or receiving entity may contest the board's decision to deny a withdrawal of an area from the special district by submitting a request, within 60 days after the resolution is adopted under Section 17B-1-510, to the board of trustees, suggesting terms or conditions to mitigate or eliminate the conditions upon which the board of trustees based its decision to deny the withdrawal.
- (5) Within 60 days after the request under Subsection (4) is submitted to the board of trustees, the board may consider the suggestions for mitigation and adopt a resolution approving or denying the request in the same manner as provided in Section 17B-1-510 with respect to the original resolution denying the withdrawal and file a notice of the action as provided in Subsection (1).
  - (6) (a) Any person in interest may seek judicial review of:
  - (i) the board of trustees' decision to withdraw an area from the special district;
  - (ii) the terms and conditions of a withdrawal; or
  - (iii) the board's decision to deny a withdrawal.
- (b) Judicial review under this Subsection (6) shall be initiated by filing an action in the district court in the county in which a majority of the area proposed to be withdrawn is located:
- (i) if the resolution approving or denying the withdrawal is published under Subsection (3), within 60 days after the publication or after the board of trustees' denial of the request under Subsection (5);
- (ii) if the resolution is not published pursuant to Subsection (3), within 60 days after the resolution approving or denying the withdrawal is adopted; or
- (iii) if a request is submitted to the board of trustees of a special district under Subsection (4), and the board adopts a resolution under Subsection (5), within 60 days after the board adopts a resolution under Subsection (5) unless the resolution is published under Subsection (3), in which event the action shall be filed within 60 days after the publication.
  - (c) A court in which an action is filed under this Subsection (6) may not overturn, in

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958	whole or in part, the board of trustees' decision to approve or reject the withdrawal unless:
959	(i) the court finds the board of trustees' decision to be arbitrary or capricious; or
960	(ii) the court finds that the board materially failed to follow the procedures set forth in
961	this part.
962	(d) A court may award costs and expenses of an action under this section, including
963	reasonable attorney fees, to the prevailing party.
964	(7) After the applicable contest period under Subsection (4) or (6), no person may
965	contest the board of trustees' approval or denial of withdrawal for any cause.
966	Section 14. Effective date.
967	(1) Except as provided in Subsection (2), this bill takes effect on May 1, 2024.
968	(2) The actions affecting Section 10-2-425 (Effective 07/01/24) take effect on July 1,
969	<u>2024.</u>