

Representative Jordan D. Teuscher proposes the following substitute bill:

UNINCORPORATED AREAS AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jordan D. Teuscher

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

This bill modifies provisions relating to unincorporated areas of a county of the first class.

Highlighted Provisions:

This bill:

- ▶ provides for unincorporated islands within a county of the first class to be automatically annexed to an adjoining municipality;
- ▶ allows unincorporated islands within a community council area in a county of the first class to incorporate as a municipality;
- ▶ modifies provisions relating to a feasibility study for a proposed incorporation;
- ▶ enacts language relating to a feasibility consultant and feasibility study for a proposed incorporation of a community council area;
- ▶ enacts language regarding the effects of an incorporation of a community council area;
- ▶ modifies a provision relating to the membership of a board of trustees of a municipal services district;
- ▶ provides for provisions relating to a community council incorporation to be repealed; and



26 ▶ makes technical and conforming changes.

27 **Money Appropriated in this Bill:**

28 None

29 **Other Special Clauses:**

30 This bill provides a special effective date.

31 **Utah Code Sections Affected:**

32 AMENDS:

33 **10-2-403**, as last amended by Laws of Utah 2023, Chapters 16, 34 and 478

34 **10-2-425 (Superseded 07/01/24)**, as last amended by Laws of Utah 2023, Chapters 16,

35 327

36 **10-2-425 (Effective 07/01/24)**, as last amended by Laws of Utah 2023, Chapters 16,

37 310 and 327

38 **10-2a-102**, as last amended by Laws of Utah 2023, Chapter 224

39 **10-2a-103**, as last amended by Laws of Utah 2023, Chapter 224

40 **10-2a-201.5**, as last amended by Laws of Utah 2023, Chapter 224

41 **10-2a-202**, as last amended by Laws of Utah 2023, Chapter 224

42 **10-2a-204.5**, as renumbered and amended by Laws of Utah 2023, Chapter 224

43 **10-2a-205**, as last amended by Laws of Utah 2023, Chapters 16, 224

44 **10-2a-210**, as last amended by Laws of Utah 2023, Chapters 16, 224 and 435

45 **10-2a-403**, as enacted by Laws of Utah 2015, Chapter 352 and further amended by

46 Revisor Instructions, Laws of Utah 2015, Chapter 352

47 **17B-1-414**, as last amended by Laws of Utah 2023, Chapter 15

48 **17B-1-512**, as last amended by Laws of Utah 2023, Chapter 15

49 **17B-2a-1106**, as last amended by Laws of Utah 2023, Chapter 15

50 **63I-2-210**, as last amended by Laws of Utah 2023, Chapter 501

51 ENACTS:

52 **10-2-429**, Utah Code Annotated 1953

53 **10-2a-107**, Utah Code Annotated 1953

54 **10-2a-205.5**, Utah Code Annotated 1953

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

57 Section 1. Section **10-2-403** is amended to read:

58 **10-2-403. Annexation petition -- Requirements -- Notice required before filing.**

59 (1) Except as provided in Section **10-2-418** and except for an automatic annexation
60 under Section **10-2-429**, the process to annex an unincorporated area to a municipality is
61 initiated by a petition as provided in this section.

62 (2) (a) (i) Before filing a petition under Subsection (1), the person or persons intending
63 to file a petition shall:

64 (A) file with the city recorder or town clerk of the proposed annexing municipality a
65 notice of intent to file a petition; and

66 (B) send a copy of the notice of intent to each affected entity.

67 (ii) Each notice of intent under Subsection (2)(a)(i) shall include an accurate map of the
68 area that is proposed to be annexed.

69 (b) (i) Subject to Subsection (2)(b)(ii), the county in which the area proposed to be
70 annexed is located shall:

71 (A) mail the notice described in Subsection (2)(b)(iii) to:

72 (I) each owner of real property located within the area proposed to be annexed; and

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

75 (B) send to the proposed annexing municipality a copy of the notice and a certificate
76 indicating that the notice has been mailed as required under Subsection (2)(b)(i)(A).

77 (ii) The county shall mail the notice required under Subsection (2)(b)(i)(A) within 20
78 days after receiving from the person or persons who filed the notice of intent:

79 (A) a written request to mail the required notice; and

80 (B) payment of an amount equal to the county's expected actual cost of mailing the
81 notice.

82 (iii) Each notice required under Subsection (2)(b)(i)(A) shall:

83 (A) be in writing;

84 (B) state, in bold and conspicuous terms, substantially the following:

85 "Attention: Your property may be affected by a proposed annexation.

86 Records show that you own property within an area that is intended to be included in a
87 proposed annexation to (state the name of the proposed annexing municipality) or that is within

88 300 feet of that area. If your property is within the area proposed for annexation, you may be
89 asked to sign a petition supporting the annexation. You may choose whether to sign the
90 petition. By signing the petition, you indicate your support of the proposed annexation. If you
91 sign the petition but later change your mind about supporting the annexation, you may
92 withdraw your signature by submitting a signed, written withdrawal with the recorder or clerk
93 of (state the name of the proposed annexing municipality) within 30 days after (state the name
94 of the proposed annexing municipality) receives notice that the petition has been certified.

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

100 You may obtain more information on the proposed annexation by contacting (state the
101 name, mailing address, telephone number, and email address of the official or employee of the
102 proposed annexing municipality designated to respond to questions about the proposed
103 annexation), (state the name, mailing address, telephone number, and email address of the
104 county official or employee designated to respond to questions about the proposed annexation),
105 or (state the name, mailing address, telephone number, and email address of the person who
106 filed the notice of intent under Subsection (2)(a)(i)(A), or, if more than one person filed the
107 notice of intent, one of those persons). Once filed, the annexation petition will be available for
108 inspection and copying at the office of (state the name of the proposed annexing municipality)
109 located at (state the address of the municipal offices of the proposed annexing municipality).";
110 and

111 (C) be accompanied by an accurate map identifying the area proposed for annexation.

112 (iv) A county may not mail with the notice required under Subsection (2)(b)(i)(A) any
113 other information or materials related or unrelated to the proposed annexation.

114 (c) (i) After receiving the certificate from the county as provided in Subsection
115 (2)(b)(i)(B), the proposed annexing municipality shall, upon request from the person or persons
116 who filed the notice of intent under Subsection (2)(a)(i)(A), provide an annexation petition for
117 the annexation proposed in the notice of intent.

118 (ii) An annexation petition provided by the proposed annexing municipality may be

119 duplicated for circulation for signatures.

120 (3) Each petition under Subsection (1) shall:

121 (a) be filed with the applicable city recorder or town clerk of the proposed annexing
122 municipality;

123 (b) contain the signatures of, if all the real property within the area proposed for
124 annexation is owned by a public entity other than the federal government, the owners of all the
125 publicly owned real property, or the owners of private real property that:

126 (i) is located within the area proposed for annexation;

127 (ii) (A) subject to Subsection (3)(b)(ii)(C), covers a majority of the private land area
128 within the area proposed for annexation;

129 (B) covers 100% of all of the rural real property within the area proposed for
130 annexation; and

131 (C) covers 100% of all of the private land area within the area proposed for annexation
132 or a migratory bird production area created under Title 23A, Chapter 13, Migratory Bird
133 Production Area; and

134 (iii) is equal in value to at least 1/3 of the value of all private real property within the
135 area proposed for annexation;

136 (c) be accompanied by:

137 (i) an accurate and recordable map, prepared by a licensed surveyor in accordance with
138 Section 17-23-20, of the area proposed for annexation; and

139 (ii) a copy of the notice sent to affected entities as required under Subsection
140 (2)(a)(i)(B) and a list of the affected entities to which notice was sent;

141 (d) contain on each signature page a notice in bold and conspicuous terms that states
142 substantially the following:

143 "Notice:

144 • There will be no public election on the annexation proposed by this petition because
145 Utah law does not provide for an annexation to be approved by voters at a public election.

146 • If you sign this petition and later decide that you do not support the petition, you may
147 withdraw your signature by submitting a signed, written withdrawal with the recorder or clerk
148 of (state the name of the proposed annexing municipality). If you choose to withdraw your
149 signature, you shall do so no later than 30 days after (state the name of the proposed annexing

150 municipality) receives notice that the petition has been certified.";

151 (e) if the petition proposes a cross-county annexation, as defined in Section 10-2-402.5,
152 be accompanied by a copy of the resolution described in Subsection 10-2-402.5(4)(a)(iii)(A);
153 and

154 (f) designate up to five of the signers of the petition as sponsors, one of whom shall be
155 designated as the contact sponsor, and indicate the mailing address of each sponsor.

156 (4) A petition under Subsection (1) may not propose the annexation of all or part of an
157 area proposed for annexation to a municipality in a previously filed petition that has not been
158 denied, rejected, or granted.

159 (5) If practicable and feasible, the boundaries of an area proposed for annexation shall
160 be drawn:

161 (a) along the boundaries of existing special districts and special service districts for
162 sewer, water, and other services, along the boundaries of school districts whose boundaries
163 follow city boundaries or school districts adjacent to school districts whose boundaries follow
164 city boundaries, and along the boundaries of other taxing entities;

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

167 (c) to facilitate the consolidation of overlapping functions of local government;

168 (d) to promote the efficient delivery of services; and

169 (e) to encourage the equitable distribution of community resources and obligations.

170 (6) On the date of filing, the petition sponsors shall deliver or mail a copy of the
171 petition to the clerk of the county in which the area proposed for annexation is located.

172 (7) A property owner who signs an annexation petition may withdraw the owner's
173 signature by filing a written withdrawal, signed by the property owner, with the city recorder or
174 town clerk no later than 30 days after the municipal legislative body's receipt of the notice of
175 certification under Subsection 10-2-405(2)(c)(i).

176 Section 2. Section 10-2-425 (Superseded 07/01/24) is amended to read:

177 **10-2-425 (Superseded 07/01/24). Filing of notice and plat -- Recording and notice**
178 **requirements -- Effective date of annexation or boundary adjustment.**

179 (1) ~~The~~ As used in this section:

180 (a) "Annexation action" means:

- 181 (i) the enactment of an ordinance annexing an unincorporated area;
182 (ii) an election approving an annexation under Section 10-2a-404;
183 (iii) the enactment of an ordinance approving a boundary adjustment by each of the
184 municipalities involved in the boundary adjustment; or
185 (iv) an automatic annexation that occurs on July 1, 2027 under Subsection
186 10-2-429(2)(a).
187 (b) "Applicable legislative body" means:
188 (i) the legislative body of each municipality that enacts an ordinance under this part
189 approving the annexation of an unincorporated area or the adjustment of a boundary[~~;~~];
190 (ii) the legislative body of an eligible city, as defined in Section 10-2a-403, that
191 annexes an unincorporated island upon the results of an election held in accordance with
192 Section 10-2a-404[~~;~~]; or
193 (iii) the legislative body of a municipality to which an unincorporated island is
194 automatically annexed under Section 10-2-429.
195 (2) An applicable legislative body shall:
196 (a) within 60 days after [~~enacting the ordinance or the day of the election or, in the case~~
197 of a boundary adjustment, within 60 days after each of the municipalities involved in the
198 boundary adjustment has enacted an ordinance] an annexation action, file with the lieutenant
199 governor:
200 (i) a notice of an impending boundary action, as defined in Section 67-1a-6.5, that
201 meets the requirements of Subsection 67-1a-6.5(3); [~~and~~]
202 (ii) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5; and
203 (iii) if applicable, a copy of an agreement under Subsection 10-2-429(2)(a)(ii);
204 (b) upon the lieutenant governor's issuance of a certificate of annexation or boundary
205 adjustment, as the case may be, under Section 67-1a-6.5:
206 (i) if the annexed area or area subject to the boundary adjustment is located within the
207 boundary of a single county, submit to the recorder of that county the original notice of an
208 impending boundary action, the original certificate of annexation or boundary adjustment, the
209 original approved final local entity plat, and a certified copy of the ordinance approving the
210 annexation or boundary adjustment; or
211 (ii) if the annexed area or area subject to the boundary adjustment is located within the

212 boundaries of more than a single county:

213 (A) submit to the recorder of one of those counties the original notice of impending
214 boundary action, the original certificate of annexation or boundary adjustment, and the original
215 approved final local entity plat;

216 (B) submit to the recorder of each other county a certified copy of the documents listed
217 in Subsection ~~[(1)(b)(ii)(A)]~~ (2)(b)(ii)(A); and

218 (C) submit a certified copy of the ordinance approving the annexation or boundary
219 adjustment to each county described in Subsections ~~[(1)(b)(ii)(A)]~~ (2)(b)(ii)(A) and (B); and

220 (c) concurrently with Subsection ~~[(1)(b)]~~ (2)(b):

221 (i) send notice of the annexation or boundary adjustment to each affected entity; and

222 (ii) in accordance with Section [26B-4-168](#), file with the Department of Health and
223 Human Services:

224 (A) a certified copy of the ordinance approving the annexation of an unincorporated
225 area or the adjustment of a boundary, if applicable; and

226 (B) a copy of the approved final local entity plat.

227 ~~[(2)]~~ (3) If an annexation or boundary adjustment under this part or Chapter 2a, Part 4,
228 Incorporation of Metro Townships and Unincorporated Islands in a County of the First Class
229 on and after May 12, 2015, also causes an automatic annexation to a special district under
230 Section [17B-1-416](#) or an automatic withdrawal from a special district under Subsection
231 [17B-1-502\(2\)](#), the municipal legislative body shall, as soon as practicable after the lieutenant
232 governor issues a certificate of annexation or boundary adjustment under Section [67-1a-6.5](#),
233 send notice of the annexation or boundary adjustment to the special district to which the
234 annexed area is automatically annexed or from which the annexed area is automatically
235 withdrawn.

236 ~~[(3)]~~ (4) Each notice required under Subsection (1) relating to an annexation or
237 boundary adjustment shall state the effective date of the annexation or boundary adjustment, as
238 determined under Subsection ~~[(4)]~~ (5).

239 ~~[(4)]~~ (5) An annexation or boundary adjustment under this part is completed and takes
240 effect:

241 (a) for the annexation of or boundary adjustment affecting an area located in a county
242 of the first class, except for an annexation under Section [10-2-418](#):

243 (i) July 1 following the lieutenant governor's issuance under Section [67-1a-6.5](#) of a
244 certificate of annexation or boundary adjustment if:

245 (A) the certificate is issued during the preceding November 1 through April 30; and

246 (B) the requirements of Subsection ~~[(1)]~~ [\(2\)](#) are met before that July 1; or

247 (ii) January 1 following the lieutenant governor's issuance under Section [67-1a-6.5](#) of a
248 certificate of annexation or boundary adjustment if:

249 (A) the certificate is issued during the preceding May 1 through October 31; and

250 (B) the requirements of Subsection ~~[(1)]~~ [\(2\)](#) are met before that January 1; and

251 (b) subject to Subsection ~~[(5)]~~ [\(6\)](#), for all other annexations and boundary adjustments,
252 the date of the lieutenant governor's issuance, under Section [67-1a-6.5](#), of a certificate of
253 annexation or boundary adjustment.

254 ~~[(5)]~~ [\(6\)](#) If an annexation of an unincorporated island is based upon the results of an
255 election held in accordance with Section [10-2a-404](#):

256 (a) the county and the annexing municipality may agree to a date on which the
257 annexation is complete and takes effect; and

258 (b) the lieutenant governor shall issue, under Section [67-1a-6.5](#), a certification of
259 annexation on the date agreed to under Subsection ~~[(5)(a)]~~ [\(6\)\(a\)](#).

260 ~~[(6)]~~ [\(7\)](#) (a) As used in this Subsection ~~[(6)]~~ [\(7\)](#):

261 (i) "Affected area" means:

262 (A) in the case of an annexation, the annexed area; and

263 (B) in the case of a boundary adjustment, any area that, as a result of the boundary
264 adjustment, is moved from within the boundary of one municipality to within the boundary of
265 another municipality.

266 (ii) "Annexing municipality" means:

267 (A) in the case of an annexation, the municipality that annexes an unincorporated area
268 or the municipality to which an unincorporated island is automatically annexed under Section
269 [10-2-429](#); and

270 (B) in the case of a boundary adjustment, a municipality whose boundary includes an
271 affected area as a result of a boundary adjustment.

272 (b) The effective date of an annexation or boundary adjustment for purposes of
273 assessing property within an affected area is governed by Section [59-2-305.5](#).

274 (c) Until the documents listed in Subsection ~~[(1)(b)(i)]~~ (2)(b)(i) are recorded in the
 275 office of the recorder of each county in which the property is located, a municipality may not:
 276 (i) levy or collect a property tax on property within an affected area;
 277 (ii) levy or collect an assessment on property within an affected area; or
 278 (iii) charge or collect a fee for service provided to property within an affected area,
 279 unless the municipality was charging and collecting the fee within that area immediately before
 280 annexation.

281 Section 3. Section **10-2-425 (Effective 07/01/24)** is amended to read:

282 **10-2-425 (Effective 07/01/24). Filing of notice and plat -- Recording and notice**
 283 **requirements -- Effective date of annexation or boundary adjustment.**

284 (1) ~~[The]~~ As used in this section:

285 (a) "Annexation action" means:

286 (i) the enactment of an ordinance annexing an unincorporated area;

287 (ii) an election approving an annexation under Section [10-2a-404](#);

288 (iii) the enactment of an ordinance approving a boundary adjustment by each of the
 289 municipalities involved in the boundary adjustment; or

290 (iv) an automatic annexation that occurs on July 1, 2027 under Subsection
 291 [10-2-429\(2\)\(b\)](#).

292 (b) "Applicable legislative body" means:

293 (i) the legislative body of each municipality that enacts an ordinance under this part
 294 approving the annexation of an unincorporated area or the adjustment of a boundary~~[-, or]~~;

295 (ii) the legislative body of an eligible city, as defined in Section [10-2a-403](#), that
 296 annexes an unincorporated island upon the results of an election held in accordance with
 297 Section [10-2a-404](#)~~[-]~~; or

298 (iii) the legislative body of a municipality to which an unincorporated island is
 299 automatically annexed under Section [10-2-429](#).

300 (2) An applicable legislative body shall:

301 (a) within 60 days after ~~[enacting the ordinance or the day of the election or, in the case~~
 302 ~~of a boundary adjustment, within 60 days after each of the municipalities involved in the~~
 303 ~~boundary adjustment has enacted an ordinance]~~ an annexation action, file with the lieutenant
 304 governor:

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

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

308 (iii) if applicable, a copy of an agreement under Subsection 10-2-429(2)(a)(ii);

309 (b) upon the lieutenant governor's issuance of a certificate of annexation or boundary
310 adjustment, as the case may be, under Section 67-1a-6.5:

311 (i) if the annexed area or area subject to the boundary adjustment is located within the
312 boundary of a single county, submit to the recorder of that county the original notice of an
313 impending boundary action, the original certificate of annexation or boundary adjustment, the
314 original approved final local entity plat, and a certified copy of the ordinance approving the
315 annexation or boundary adjustment; or

316 (ii) if the annexed area or area subject to the boundary adjustment is located within the
317 boundaries of more than a single county:

318 (A) submit to the recorder of one of those counties the original notice of impending
319 boundary action, the original certificate of annexation or boundary adjustment, and the original
320 approved final local entity plat;

321 (B) submit to the recorder of each other county a certified copy of the documents listed
322 in Subsection ~~[(1)(b)(ii)(A)]~~ (2)(b)(ii)(A); and

323 (C) submit a certified copy of the ordinance approving the annexation or boundary
324 adjustment to each county described in Subsections ~~[(1)(b)(ii)(A)]~~ (2)(b)(ii)(A) and (B); and

325 (c) concurrently with Subsection ~~[(1)(b)]~~ (2)(b):

326 (i) send notice of the annexation or boundary adjustment to each affected entity; and

327 (ii) in accordance with Section 53-2d-514, file with the Bureau of Emergency Medical
328 Services:

329 (A) a certified copy of the ordinance approving the annexation of an unincorporated
330 area or the adjustment of a boundary, if applicable; and

331 (B) a copy of the approved final local entity plat.

332 ~~[(2)]~~ (3) If an annexation or boundary adjustment under this part or Chapter 2a, Part 4,
333 Incorporation of Metro Townships and Unincorporated Islands in a County of the First Class
334 on and after May 12, 2015, also causes an automatic annexation to a special district under
335 Section 17B-1-416 or an automatic withdrawal from a special district under Subsection

336 17B-1-502(2), the municipal legislative body shall, as soon as practicable after the lieutenant
337 governor issues a certificate of annexation or boundary adjustment under Section 67-1a-6.5,
338 send notice of the annexation or boundary adjustment to the special district to which the
339 annexed area is automatically annexed or from which the annexed area is automatically
340 withdrawn.

341 ~~[(3)]~~ (4) Each notice required under Subsection (1) relating to an annexation or
342 boundary adjustment shall state the effective date of the annexation or boundary adjustment, as
343 determined under Subsection ~~[(4)]~~ (5).

344 ~~[(4)]~~ (5) An annexation or boundary adjustment under this part is completed and takes
345 effect:

346 (a) for the annexation of or boundary adjustment affecting an area located in a county
347 of the first class, except for an annexation under Section 10-2-418:

348 (i) July 1 following the lieutenant governor's issuance under Section 67-1a-6.5 of a
349 certificate of annexation or boundary adjustment if:

350 (A) the certificate is issued during the preceding November 1 through April 30; and

351 (B) the requirements of Subsection ~~[(1)]~~ (2) are met before that July 1; or

352 (ii) January 1 following the lieutenant governor's issuance under Section 67-1a-6.5 of a
353 certificate of annexation or boundary adjustment if:

354 (A) the certificate is issued during the preceding May 1 through October 31; and

355 (B) the requirements of Subsection ~~[(1)]~~ (2) are met before that January 1; and

356 (b) subject to Subsection ~~[(5)]~~ (6), for all other annexations and boundary adjustments,
357 the date of the lieutenant governor's issuance, under Section 67-1a-6.5, of a certificate of
358 annexation or boundary adjustment.

359 ~~[(5)]~~ (6) If an annexation of an unincorporated island is based upon the results of an
360 election held in accordance with Section 10-2a-404:

361 (a) the county and the annexing municipality may agree to a date on which the
362 annexation is complete and takes effect; and

363 (b) the lieutenant governor shall issue, under Section 67-1a-6.5, a certification of
364 annexation on the date agreed to under Subsection ~~[(5)(a)]~~ (6)(a).

365 ~~[(6)]~~ (7) (a) As used in this Subsection ~~[(6)]~~ (7):

366 (i) "Affected area" means:

367 (A) in the case of an annexation, the annexed area; and

368 (B) in the case of a boundary adjustment, any area that, as a result of the boundary
369 adjustment, is moved from within the boundary of one municipality to within the boundary of
370 another municipality.

371 (ii) "Annexing municipality" means:

372 (A) in the case of an annexation, the municipality that annexes an unincorporated area
373 or the municipality to which an unincorporated island is automatically annexed under Section
374 10-2-429; and

375 (B) in the case of a boundary adjustment, a municipality whose boundary includes an
376 affected area as a result of a boundary adjustment.

377 (b) The effective date of an annexation or boundary adjustment for purposes of
378 assessing property within an affected area is governed by Section 59-2-305.5.

379 (c) Until the documents listed in Subsection [~~(1)(b)(i)~~] (2)(b)(i) are recorded in the
380 office of the recorder of each county in which the property is located, a municipality may not:

381 (i) levy or collect a property tax on property within an affected area;

382 (ii) levy or collect an assessment on property within an affected area; or

383 (iii) charge or collect a fee for service provided to property within an affected area,

384 unless the municipality was charging and collecting the fee within that area immediately before
385 annexation.

386 Section 4. Section **10-2-429** is enacted to read:

387 **10-2-429. Automatic annexations in county of the first class.**

388 (1) As used in this section:

389 (a) "Most populous bordering municipality" means the municipality with the highest
390 population of any municipality that shares a common border with an unincorporated island.

391 (b) "Unincorporated island" means an area that is:

392 (i) within a county of the first class;

393 (ii) not within a municipality; and

394 (iii) completely surrounded by land that is within one or more municipalities within the
395 county of the first class.

396 (2) (a) Notwithstanding any other provision of this part, on July 1, 2027 an
397 unincorporated island is automatically annexed to:

398 (i) the most populous bordering municipality, except as provided in Subsection
399 (2)(a)(ii); or

400 (ii) a municipality other than the most populous bordering municipality if:

401 (A) the other municipality shares a common border with the unincorporated island; and

402 (B) the other municipality and the most populous bordering municipality each adopt a
403 resolution agreeing that the unincorporated island should be annexed to the other municipality.

404 (b) The effective date of an annexation under Subsection (2)(a) is governed by Section
405 10-2-425.

406 Section 5. Section **10-2a-102** is amended to read:

407 **10-2a-102. Definitions.**

408 (1) As used in this [~~part and Part 2, Incorporation of a Municipality~~] chapter:

409 (a) "Community council area" means the cumulative areas within the geographic
410 boundary of a community council that is formally recognized by a county of the first class
411 pursuant to county ordinance.

412 (b) "Community council municipality" means a municipality that results from the
413 incorporation of unincorporated islands within a community council area.

414 [~~(a)~~] (c) "Contact sponsor" means the person designated in the feasibility request as the
415 contact sponsor under Subsection 10-2a-202(2)(d).

416 [~~(b)~~] (d) (i) "Contiguous" means, except as provided in Subsection $\hat{S} \rightarrow$ [(1)(b)(ii)] (1)(d)(ii)
416a $\leftarrow \hat{S}$, the same

417 as that term is defined in Section 10-1-104.

418 (ii) "Contiguous" does not include a circumstance where:

419 (A) two areas of land are only connected by a strip of land between geographically
420 separate areas; and

421 (B) the distance between the geographically separate areas described in Subsection
422 [(1)(b)(ii)(A)] $\hat{S} \rightarrow$ [(1)(e)(ii)(A)] (1)(d)(ii)(A) $\leftarrow \hat{S}$ is greater than the average width of the strip of
422a land connecting the
423 geographically separate areas.

424 (e) "Feasibility consultant" means a person or firm[:] with the qualifications and
425 expertise described in Subsection 10-2a-205(2)(b).

426 [(i) ~~with expertise in the processes and economics of local government; and~~]

427 [(ii) ~~who is independent of and not affiliated with a county or sponsor of a petition to~~
428 ~~incorporate.~~]

429 ~~[(d)]~~ (f) "Feasibility request" means a request, described in Section 10-2a-202, for a
430 feasibility study for the proposed incorporation of a municipality.

431 ~~[(e)]~~ (g) (i) "Municipal service" means any of the following that are publicly provided:

432 (A) culinary water;

433 (B) secondary water;

434 (C) sewer service;

435 (D) storm drainage or flood control;

436 (E) recreational facilities or parks;

437 (F) electrical power generation or distribution;

438 (G) construction or maintenance of local streets and roads;

439 (H) street lighting;

440 (I) curb, gutter, and sidewalk maintenance;

441 (J) law or code enforcement service;

442 (K) fire protection service;

443 (L) animal services;

444 (M) planning and zoning;

445 (N) building permits and inspections;

446 (O) refuse collection; or

447 (P) weed control.

448 (ii) "Municipal service" includes the physical facilities required to provide a service
449 described in Subsection ~~[(f)]~~ ~~[(e)]~~ ~~[(i)]~~ (1)(f)(i).

450 (h) "Municipal services district" means a special district created under Title 17B,

451 Chapter 2a, Part 11, Municipal Services District Act.

452 ~~[(f)]~~ (i) "Private," with respect to real property, means taxable property.

453 (2) For purposes of this part:

454 (a) the owner of real property shall be the record title owner according to the records of
455 the county recorder on the date of the filing of the feasibility request or petition for
456 incorporation; and

457 (b) the assessed fair market value of private real property shall be determined
458 according to the last assessment roll for county taxes before the filing of the feasibility request
459 or petition for incorporation.

460 (3) For purposes of each provision of this part that requires the owners of private real
 461 property covering a percentage or fraction of the total private land area within an area to sign a
 462 feasibility request or a petition for incorporation:

463 (a) a parcel of real property may not be included in the calculation of the required
 464 percentage or fraction unless the feasibility request or petition for incorporation is signed by:

465 (i) except as provided in Subsection (3)(a)(ii), owners representing a majority
 466 ownership interest in that parcel; or

467 (ii) if the parcel is owned by joint tenants or tenants by the entirety, 50% of the number
 468 of owners of that parcel;

469 (b) the signature of a person signing a feasibility request or a petition for incorporation
 470 in a representative capacity on behalf of an owner is invalid unless:

471 (i) the person's representative capacity and the name of the owner the person represents
 472 are indicated on the feasibility request or petition for incorporation with the person's signature;
 473 and

474 (ii) the person provides documentation accompanying the feasibility request or petition
 475 for incorporation that substantiates the person's representative capacity; and

476 (c) subject to Subsection (3)(b), a duly appointed personal representative may sign a
 477 feasibility request or a petition for incorporation on behalf of a deceased owner.

478 Section 6. Section **10-2a-103** is amended to read:

479 **10-2a-103. Incorporation of a contiguous area -- Incorporation of a community**
 480 **council area -- Incorporation involving more than one county.**

481 (1) (a) ~~[A]~~ An unincorporated contiguous area of a county not within a municipality
 482 may incorporate as a municipality as provided in this chapter.

483 (b) Two or more unincorporated islands, as defined in Section [10-2-429](#), that are not
 484 contiguous with each other may incorporate as a municipality, as provided in this chapter, if ~~§~~ :

484a (i) ~~§~~

485 those unincorporated islands are part of a community council area ~~§~~ [:] ; and

485a (ii) a feasibility request for the proposed incorporation of the community council area is
 485b submitted under Section 10-2a-202 no later than May 1, 2025. ~~§~~

486 (2) If a proposed incorporation relates to an area in more than one county:

487 (a) the individual who files the feasibility request shall file the request with each
 488 county containing a portion of the area proposed for incorporation; and

489 (b) the counties shall work together, in accordance with direction given by the
 490 lieutenant governor, to complete the actions required by this chapter.

491 Section 7. Section **10-2a-107** is enacted to read:

492 **10-2a-107. Effect of incorporation of community council area.**

493 (1) As used in this section:

494 (a) "Service area" means the area for which a service provider provided municipal
495 services to an unincorporated island immediately before the incorporation of a community
496 council municipality that includes the previously unincorporated island.

497 (b) "Service provider" means a special district or other provider of municipal services
498 who, before the incorporation of a community council municipality, provided service to the
499 service area.

500 (c) "Unincorporated island" means the same as that term is defined in Section
501 [10-2-429](#).

502 (2) An incorporation of a community council municipality does not affect the boundary
503 of any service provider, subject to any future change in the boundary as provided by applicable
504 law.

505 (3) All roads and other utilities that before incorporation of a community council
506 municipality were under the jurisdiction of the county in which the community council
507 municipality is located become, upon incorporation, under the jurisdiction of the community
508 council municipality.

509 Section 8. Section **10-2a-201.5** is amended to read:

510 **10-2a-201.5. Qualifications for incorporation.**

511 (1) (a) An area may incorporate as a town in accordance with this part if the area:

512 (i) (A) is contiguous; or

513 (B) is a community council area;

514 (ii) has a population of at least 100 people, but fewer than 1,000 people; and

515 (iii) is not already part of a municipality.

516 (b) An area may incorporate as a city in accordance with this part if the area:

517 (i) (A) is contiguous; or

518 (B) is a community council area;

519 (ii) has a population of 1,000 people or more; and

520 (iii) is not already part of a municipality.

521 (2) (a) An area may not incorporate under this part if:

522 (i) the area has a population of fewer than 100 people; or
523 (ii) except as provided in Subsection (2)(b), the area has an average population density
524 of fewer than seven people per square mile.

525 (b) Subsection (2)(a)(ii) does not prohibit incorporation of an area if:

526 (i) noncompliance with Subsection (2)(a)(ii) is necessary to connect separate areas that
527 share a demonstrable community interest; and

528 (ii) the area is contiguous.

529 (3) An area incorporating under this part may not include land owned by the United
530 States federal government unless:

531 (a) the area, including the land owned by the United States federal government, is
532 contiguous; and

533 (b) (i) incorporating the land is necessary to connect separate areas that share a
534 demonstrable community interest; or

535 (ii) excluding the land from the incorporating area would create an unincorporated
536 island within the proposed municipality.

537 (4) (a) Except as provided in Subsection (4)(b), an area incorporating under this part
538 may not include some or all of an area proposed for annexation in an annexation petition under
539 Section 10-2-403 that:

540 (i) was filed before the filing of the request for a feasibility study, described in Section
541 10-2a-202, relating to the incorporating area; and

542 (ii) is still pending on the date the request for the feasibility study described in
543 Subsection (4)(a)(i) is filed.

544 (b) A feasibility request may propose for incorporation an area that includes some or
545 all of an area proposed for annexation in an annexation petition described in Subsection (4)(a)
546 if:

547 (i) the proposed annexation area that is part of the area proposed for incorporation does
548 not exceed 20% of the area proposed for incorporation;

549 (ii) the feasibility request complies with Subsections 10-2a-202(1) through (4) with
550 respect to excluding the proposed annexation area from the area proposed for incorporation;
551 and

552 (iii) excluding the area proposed for annexation from the area proposed for

553 incorporation would not cause the area proposed for incorporation to not be contiguous.

554 (c) Except as provided in Section 10-2a-206, the lieutenant governor shall consider
555 each feasibility request to which Subsection (4)(b) applies as not proposing the incorporation of
556 an area proposed for annexation.

557 (5) (a) An area incorporating under this part may not include part of a parcel of real
558 property and exclude part of that same parcel unless the owner of the parcel gives written
559 consent to exclude part of the parcel.

560 (b) A piece of real property that has more than one parcel number is considered to be a
561 single parcel for purposes of Subsection (5)(a) if owned by the same owner.

562 Section 9. Section 10-2a-202 is amended to read:

563 **10-2a-202. Feasibility request -- Requirements -- Limitations.**

564 (1) The process to incorporate [~~a contiguous area of a county~~] an unincorporated area
565 as a municipality is initiated by an individual filing a feasibility request, with the county clerk
566 of the county where the area proposed to be incorporated is located, that includes:

567 (a) the signatures of the owners of private real property that:

568 (i) is located within the area proposed to be incorporated;

569 (ii) covers at least 10% of the total private land area within the area; and

570 (iii) is, as of January 1 of the current year, equal in assessed fair market value to at least
571 7% of the assessed fair market value of all private real property within the area; and

572 (b) the typed or printed name and current residence address of each owner signing the
573 request.

574 (2) The feasibility request shall include:

575 (a) a description of the [~~contiguous~~] unincorporated area proposed to be incorporated
576 as a municipality;

577 (b) a designation of up to five signers of the request as sponsors, one of whom is
578 designated as the contact sponsor, with the mailing address and telephone number of each;

579 (c) an accurate map or plat, prepared by a licensed surveyor, showing a legal
580 description of the boundaries of the proposed municipality; and

581 (d) a request that the lieutenant governor commission a study to determine the
582 feasibility of incorporating the area as a municipality.

583 (3) The individual described in Subsection (1) shall, on the day on which the individual

584 files the feasibility request with the county clerk, provide to the lieutenant governor:

585 (a) written notice that the individual filed the feasibility request that indicates the day
586 on which the individual filed the feasibility request; and

587 (b) a complete copy of the feasibility request.

588 (4) A feasibility request may not propose for incorporation an area that includes some
589 or all of an area that is the subject of a completed feasibility study or supplemental feasibility
590 study whose results comply with Subsection 10-2a-205(5)(a) unless:

591 (a) the proposed incorporation that is the subject of the completed feasibility study or
592 supplemental feasibility study has been defeated by the voters at an election under Section
593 10-2a-210; or

594 (b) the time described in Subsection 10-2a-208(1) for filing an incorporation petition
595 based on the completed feasibility study or supplemental feasibility study has elapsed without
596 the sponsors filing an incorporation petition under Section 10-2a-208.

597 (5) Sponsors may not file a feasibility request relating to the incorporation of a town if
598 the cumulative private real property that the sponsors own exceeds 40% of the total private
599 land area within the boundaries of the proposed town.

600 Section 10. Section 10-2a-204.5 is amended to read:

601 **10-2a-204.5. Notice to owner of property -- Exclusion or inclusion of property**
602 **from or in proposed municipality.**

603 (1) As used in this section:

604 (a) "Owner" means a person having an interest in real property, including an affiliate,
605 subsidiary, or parent company.

606 (b) "Specified landowner" means a record owner of real property:

607 (i) who owns more than:

608 (A) 1% of the assessed fair market value, as of January 1 of the current year, of all
609 property within the boundaries of a proposed incorporation; or

610 (B) 10% of the total private land area within the boundaries of a proposed
611 incorporation; or

612 (ii) located in a mining protection area as defined in Section 17-41-101.

613 (2) Within 30 calendar days after the day of the first public hearing described in
614 Section 10-2a-204.3:

615 (a) a specified landowner may request that the county clerk exclude all or part of the
616 land owned by the specified landowner from the area proposed for incorporation by filing a
617 request for exclusion with the county clerk that describes the land for which the specified
618 landowner requests exclusion; or

619 (b) any owner of land located within the county where the area proposed for
620 incorporation is located may file a request that all or part of that land be included in the area
621 proposed for incorporation by filing a request for inclusion with the county clerk that describes
622 the land that the landowner desires to include.

623 (3) The county clerk shall exclude the land identified by a specified landowner under
624 Subsection (2)(a) from the proposed incorporation boundaries unless the county clerk finds by
625 clear and convincing evidence that:

626 (a) except for a proposed incorporation of a community council area, the exclusion will
627 leave an unincorporated island within the proposed municipality; and

628 (b) the land receives from the county a majority of currently provided municipal
629 services.

630 (4) The county clerk shall include land identified by a landowner under Subsection
631 (2)(b) in the area proposed for incorporation unless the county clerk finds by clear and
632 convincing evidence that:

633 (a) except for a proposed incorporation of a community council area, the land will not
634 be contiguous with the area of the proposed municipality, taking into account other requests for
635 inclusion or requests for exclusion received before the deadline described in Subsection (2); or

636 (b) the inclusion will cause the area proposed for incorporation to violate a requirement
637 for incorporation described in this part.

638 (5) The county clerk shall:

639 (a) no earlier than 30 days after, but no later than 44 days after, the day of the first
640 public hearing described in Section [10-2a-204.3](#), make a determination on all timely requests
641 for exclusion or inclusion;

642 (b) forward to the lieutenant governor for review:

643 (i) all timely requests for exclusion or inclusion;

644 (ii) the county clerk's determination on each of the requests described in Subsection

645 (5)(b)(i); and

646 (iii) the reasons, including the supporting data, for each determination described in
647 Subsection (5)(b)(ii); and

648 (c) within five days after the day on which the lieutenant governor makes a final
649 determination on whether to include or exclude land under Subsection (7), the county clerk
650 shall mail or transmit written notice of whether the land is included or excluded from the
651 proposed incorporation boundaries to:

652 (i) for a request for exclusion, the specified landowner that requested the exclusion;

653 (ii) for a request for inclusion, the owner of land that requested the inclusion; and

654 (iii) the contact sponsor.

655 (6) For a request for exclusion or inclusion that is denied, the county clerk shall
656 include, in the written notice described in Subsection (5)(c), a detailed explanation of the
657 reason for the denial and the facts supporting the denial.

658 (7) Within 14 days after the day on which the lieutenant governor receives the
659 information described in Subsection (5)(b) the lieutenant governor shall:

660 (a) review each determination;

661 (b) uphold or reverse each determination; and

662 (c) forward to the county clerk:

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

664 (ii) if the lieutenant governor reverses a determination of the county clerk, the reason
665 for the reversal and the supporting facts.

666 Section 11. Section **10-2a-205** is amended to read:

667 **10-2a-205. Feasibility study -- Feasibility study consultant -- Qualifications for**
668 **proceeding with incorporation.**

669 (1) Unless the lieutenant governor rescinds the certification under Subsection
670 [10-2a-204\(7\)\(b\)](#), the lieutenant governor shall, within 90 days after the day on which the
671 lieutenant governor certifies a feasibility request under Subsection [10-2a-204\(5\)\(a\)](#), in
672 accordance with Subsection (2), engage a feasibility consultant to conduct a feasibility study.

673 (2) The lieutenant governor shall:

674 (a) select a feasibility consultant in accordance with Title 63G, Chapter 6a, Utah
675 Procurement Code;

676 (b) ensure that the feasibility consultant:

- 677 (i) has expertise in the processes and economics of local government; [and]
678 (ii) is independent of and not affiliated with a sponsor of the feasibility request or the
679 county in which the proposed municipality is located; and
680 (iii) for a feasibility study for the proposed incorporation of a community council area,
681 has expertise in the processes and economics of a municipal services district providing
682 municipal services to an unincorporated island, as defined in Section [10-2-429](#); and
683 (c) require the feasibility consultant to:
684 (i) submit a draft of the feasibility study to each applicable person with whom the
685 feasibility consultant is required to consult under Subsection (3)(c) within 90 days after the day
686 on which the lieutenant governor engages the feasibility consultant to conduct the study;
687 (ii) allow each person to whom the consultant provides a draft under Subsection
688 (2)(c)(i) to review and provide comment on the draft;
689 (iii) submit a completed feasibility study, including a one-page summary of the results,
690 to the following within 120 days after the day on which the lieutenant governor engages the
691 feasibility consultant to conduct the feasibility study:
692 (A) the lieutenant governor;
693 (B) the county legislative body of the county in which the incorporation is proposed;
694 (C) the contact sponsor; and
695 (D) each person to whom the consultant provided a draft under Subsection (2)(c)(i);
696 and
697 (iv) attend the public hearings described in Section [10-2a-207](#) to present the feasibility
698 study results and respond to questions from the public.
699 (3) (a) The feasibility study shall include:
700 (i) an analysis of the population and population density within the area proposed for
701 incorporation and the surrounding area;
702 (ii) the current and projected five-year demographics and tax base within the
703 boundaries of the proposed municipality and surrounding area, including household size and
704 income, commercial and industrial development, and public facilities;
705 (iii) subject to Subsection (3)(b), the current and five-year projected cost of providing
706 municipal services to the proposed municipality, including administrative costs;
707 (iv) assuming the same tax categories and tax rates as currently imposed by the county

708 and all other current service providers, the present and five-year projected revenue for the
709 proposed municipality;

710 (v) an analysis of the risks and opportunities that might affect the actual costs described
711 in Subsection (3)(a)(iii) or revenues described in Subsection (3)(a)(iv) of the newly
712 incorporated municipality;

713 (vi) an analysis of new revenue sources that may be available to the newly incorporated
714 municipality that are not available before the area incorporates, including an analysis of the
715 amount of revenues the municipality might obtain from those revenue sources;

716 (vii) the projected tax burden per household of any new taxes that may be levied within
717 the proposed municipality within five years after incorporation;

718 (viii) the fiscal impact of the municipality's incorporation on unincorporated areas,
719 other municipalities, special districts, special service districts, and other governmental entities
720 in the county; and

721 (ix) if the county clerk excludes property from, or includes property in, the proposed
722 municipality under Section 10-2a-204.5, an update to the map and legal description described
723 in Subsection 10-2a-202(2)(c).

724 (b) (i) In calculating the projected costs under Subsection (3)(a)(iii), the feasibility
725 consultant shall assume the proposed municipality will provide a level and quality of municipal
726 services that fairly and reasonably approximate the level and quality of municipal services that
727 are provided to the area of the proposed municipality at the time the feasibility consultant
728 conducts the feasibility study.

729 (ii) In calculating the current cost of a municipal service under Subsection (3)(a)(iii),
730 the feasibility consultant shall consider:

731 (A) the amount it would cost the proposed municipality to provide the municipal
732 service for the first five years after the municipality's incorporation; and

733 (B) the current municipal service provider's present and five-year projected cost of
734 providing the municipal service.

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

737 (c) In conducting the feasibility study, the feasibility consultant shall consult with the
738 following before submitting a draft of the feasibility study under Subsection (2)(c)(i):

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

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

744 (iii) each entity that provides a municipal service to a portion of the proposed
745 municipality; and

746 (iv) each other special service district that provides services to a portion of the
747 proposed municipality.

748 (4) If the five-year projected revenues calculated under Subsection (3)(a)(iv) exceed the
749 five-year projected costs calculated under Subsection (3)(a)(iii) by more than 5%, the
750 feasibility consultant shall project and report the expected annual revenue surplus to the contact
751 sponsor and the lieutenant governor.

752 (5) (a) Except as provided in Subsection (5)(b), if the results of the feasibility study, or
753 a supplemental feasibility study described in Section 10-2a-206, show that the average annual
754 amount of revenue calculated under Subsection (3)(a)(iv) does not exceed the average annual
755 cost calculated under Subsection (3)(a)(iii) by more than 5%, the process to incorporate the
756 area that is the subject of the feasibility study or supplemental feasibility study may not
757 proceed.

758 (b) The process to incorporate an area described in Subsection (5)(a) may proceed if a
759 subsequent supplemental feasibility study conducted under Section 10-2a-206 for the proposed
760 incorporation demonstrates compliance with Subsection (5)(a).

761 (6) If the results of the feasibility study or revised feasibility study do not comply with
762 Subsection (5), and if requested by the sponsors of the request, the feasibility consultant shall,
763 as part of the feasibility study or revised feasibility study, make recommendations regarding
764 how the boundaries of the proposed municipality may be altered to comply with Subsection
765 (5).

766 (7) The lieutenant governor shall post a copy of the feasibility study, and any
767 supplemental feasibility study described in Section 10-2a-206, on the lieutenant governor's
768 website and make a copy available for public review at the lieutenant governor's office.

769 Section 12. Section 10-2a-205.5 is enacted to read:

770 10-2a-205.5. Additional feasibility consultant considerations -- Additional
771 feasibility study requirements.

772 (1) As used in this section:

773 (a) "Applicable community council" means the community council that represents the
774 community council area that is proposed to be incorporated.

775 (b) "Request sponsors" means the sponsors of a feasibility request relating to the
776 proposed incorporation of a community council area.

777 (2) Subsections 10-2a-205(3)(a) and (b) do not apply to a feasibility study for a
778 proposed incorporation of a community council area.

779 (3) A feasibility consultant conducting a feasibility study for a proposed incorporation
780 of a community council area shall consider:

781 (a) population and population density within the community council area;

782 (b) current and five-year projections of demographics and economic base in the
783 community council area, including household size and income, commercial and industrial
784 development, and public facilities;

785 (c) projected population growth in the community council area during the next five
786 years;

787 (d) subject to Subsection (4)(a), the present and five-year projections of the cost,
788 including overhead, of providing the same or a similar service in the community council area as
789 is provided by the municipal services district, including a comparison of:

790 (i) the estimated cost if the municipal services district continues to provide service;

791 (ii) the estimated cost if the community council municipality provides service directly
792 or through a contract with another service provider; and

793 (iii) the estimated cost if an unincorporated island within the community council area is
794 annexed under Section 10-2-429 and the annexing municipality provides service;

795 (e) subject to Subsection (4)(a), evaluating the present and five-year projections of the
796 cost, including overhead, of a municipal services district providing municipal services to the
797 community council area, comparing those costs assuming that the community council area is
798 included in the service area of the municipal services district with those costs assuming that the
799 community council area is excluded from the service area of the municipal services district;

800 (f) a projection of any new taxes per household that may be levied within the

801 community council municipality within five years after incorporation;

802 (g) the fiscal impact that the community council area's incorporation will have on other
803 municipalities and unincorporated areas served by the municipal services district, including any
804 rate increase that may become necessary to maintain required coverage ratios for the municipal
805 services district's debt if, after incorporation:

806 (i) the municipal services district continues to provide service to the community
807 council area; or

808 (ii) the community council area provides service directly or through contract with
809 another service provider;

810 (h) the physical and other assets that will be required by the municipal services district
811 to provide, without interruption or diminution of service, the same or a similar service to the
812 community council municipality upon incorporation;

813 (i) the physical and other assets that will no longer be required by the municipal
814 services district to continue to provide the current level of service to the remainder of the
815 service area without the community council area if the community council area incorporates
816 and provides services directly or through contract with another service provider;

817 (j) the number and classification of municipal services district employees who will no
818 longer be required to serve the remaining portions of the service area if a community council
819 area provides service directly or through contract with another service provider upon
820 incorporation, including the dollar amount of the wages, salaries, and benefits attributable to
821 the employees and the estimated cost associated with termination of the employees if the
822 community council municipality does not employ the employees;

823 (k) if the community council municipality will provide service directly or through
824 another service provider, the effects of maintaining as a base, for a period of three years, the
825 existing schedule of pay and benefits for municipal services district employees who may be
826 transferred to the employment of the community council municipality or to another service
827 provider with which the community council municipality contracts for service; and

828 (l) any other factor that the feasibility consultant considers relevant to the cost of
829 providing municipal services as a result of a community council area's incorporation or the
830 annexation of one or more unincorporated islands under Section [10-2-429](#).

831 (4) (a) For purposes of Subsections (3)(d) and (e):

832 (i) the feasibility consultant shall assume a level and quality of service to be provided
833 in the future to the community council municipality that fairly and reasonably approximates the
834 level and quality of service that the municipal services district provides to the community
835 council area at the time of the feasibility study;

836 (ii) in determining the present-value cost of a service that the municipal services
837 district provides, the feasibility consultant shall consider:

838 (A) the cost to the community council municipality of providing the service for the first
839 five years after incorporation;

840 (B) the municipal services district's present and five-year projected cost of providing
841 the same service to the community council area; ~~and~~

842 (C) the present and five-year projected cost of providing the same or a similar service
843 to the community council area if service is provided by a municipality to which one or more
844 unincorporated islands are annexed under Section [10-2-429](#);

845 (D) evaluate and detail the expected cost savings and qualitative benefits that result
846 from a service provider other than the proposed municipality providing some municipal
847 services;

848 (E) incorporate into the overall cost projection for the proposed municipality the
849 potential for municipal services to be provided by a service provider other than the proposed
850 municipality; and

851 (F) evaluate and detail projected costs for municipal services based on the proposed
852 municipality providing municipal services as compared to service providers other than the
853 proposed municipality providing municipal services funded by those other service providers;
854 and

855 (iii) the feasibility consultant shall consider inflation and anticipated population growth
856 in calculating the cost of providing service.

857 (b) A feasibility consultant may not consider an allocation of municipal services
858 district assets or a transfer of municipal services district employees to the extent that the
859 allocation or transfer would impair the municipal services district's ability to continue to
860 provide the current level of service to the remainder of the municipal services district's service
861 area without the community council area, unless the municipal services district consents to the
862 allocation or transfer.

863 (5) (a) A feasibility consultant shall prepare a written report of the results of the
864 feasibility study.

865 (b) A report under Subsection (5)(a) shall:

866 (i) contain a recommendation as to whether the proposed incorporation of the
867 community council area is functionally and financially feasible for the community council area;

868 (ii) include any conditions the feasibility consultant determines are required to be
869 satisfied to make the incorporation functionally and financially feasible; and

870 (iii) compare the costs of incorporation to the costs of the unincorporated islands
871 within the community council area being annexed under Section 10-2-429.

872 (c) (i) Before finalizing a written report under this Subsection (5), the feasibility
873 consultant shall provide a copy of a draft feasibility study report to the request sponsors and the
874 county for their review and comments.

875 (ii) Based on comments provided under Subsection (5)(c)(i), a feasibility consultant
876 may adjust the draft feasibility study report before finalizing the report.

877 (6) Upon completion of the feasibility study and preparation of a written report, the
878 feasibility consultant shall deliver a copy of the report to:

879 (a) the applicable community council;

880 (b) the request sponsors;

881 (c) the municipal services district that provides service to the community council area;

882 Ŝ→ [and] ←Ŝ

883 (d) the county in which the community council area is located Ŝ→ [;] ; and

883a (e) each municipality that borders any part of the community council area. ←Ŝ

884 (7) (a) (i) If the request sponsors or the county in which the community council area is
885 located disagrees with any aspect of a feasibility study report or, if applicable, a feasibility
886 study report modified under Subsection (7)(c), the request sponsors or county may, within 20
887 business days after receiving a copy of the report under Subsection (6) or a copy of a modified
888 feasibility study report under Subsection (7)(c)(ii), submit to the feasibility consultant a written
889 objection detailing the disagreement.

890 (ii) Request sponsors who submit a written objection under Subsection (7)(a)(i) shall
891 simultaneously deliver a copy of the objection to the county.

892 (iii) A county that submits a written objection under Subsection (7)(a)(i) shall
893 simultaneously deliver a copy of the objection to the request sponsors.

894 (b) (i) The request sponsors or a county may, within 10 business days after receiving an
 895 objection under Subsection (7)(a)(i), submit to the feasibility consultant a written response to
 896 the objection.

897 (ii) The request sponsors who submit a response under Subsection (7)(b)(i) shall
 898 simultaneously deliver a copy of the response to the county.

899 (iii) A county that submits a response under Subsection (7)(b)(i) shall simultaneously
 900 deliver a copy of the response to the request sponsors.

901 (c) If an objection is filed under Subsection (7)(a)(i), the feasibility consultant shall,
 902 within 20 business days after the expiration of the deadline under Subsection (7)(b)(i) for
 903 submitting a response to an objection:

904 (i) (A) modify the feasibility study report; or

905 (B) explain in writing why the feasibility consultant is not modifying the feasibility
 906 study report; and

907 (ii) deliver the modified feasibility study report or written explanation to:

908 (A) the request sponsors;

909 (B) the municipal services district that provides service to the community council area;

910 Ŝ→ [and] ←Ŝ

911 (C) the county in which the community council area is located Ŝ→ [;] ; and

911a **(D) each municipality that borders any part of the community council area.** ←Ŝ

912 (d) Within seven days after the expiration of the deadline under Subsection (7)(a)(i) for
 913 submitting an objection or, if an objection is submitted, within seven days after receiving a
 914 modified feasibility study report or written explanation under Subsection (7)(c), but at least 30
 915 days before a public hearing under Subsection (9), the applicable community council shall:

916 (i) make a copy of the report available to the public at the primary office of the
 917 applicable community council; and

918 (ii) post a copy of the report on the website of the applicable community council, if the
 919 applicable community council has a website.

920 (8) (a) A feasibility study report or, if a feasibility study report is modified under
 921 Subsection (7), a modified feasibility study report may not be challenged unless the basis of the
 922 challenge is that the report results from collusion or fraud.

923 (b) Subsection (8)(a) does not apply to an objection to a feasibility study report or a
 924 modified feasibility study report under Subsection (7).

925 (9) (a) Following the expiration of the deadline under Subsection (7)(a)(i) for
926 submitting an objection, or, if an objection is submitted under Subsection (7)(a)(i), following
927 the applicable community council's receipt of the modified feasibility study report or written
928 explanation under Subsection (7)(c), the applicable community council shall, at the applicable
929 community council's next regular meeting, schedule at least one public hearing to be held:

930 (i) within the following 60 days; and
931 (ii) for the purpose of allowing:

932 (A) the feasibility consultant to present the results of the feasibility study; and
933 (B) the public to become informed about the feasibility study results, to ask the
934 feasibility consultant questions about the feasibility study, and to express the public's views
935 about the proposed incorporation of the community council area.

936 (b) At a public hearing under Subsection (9)(a), the applicable community council
937 shall:

938 (i) provide a copy of the feasibility study for public review; and
939 (ii) allow the public to:

940 (A) ask the feasibility consultant questions about the feasibility study; and
941 (B) express the public's views about the advantages and disadvantages of the proposed
942 incorporation as compared to a potential annexation under Section [10-2-429](#).

943 (c) (i) The applicable community council shall publish notice of a hearing under
944 Subsection (9)(a), as a class A notice under Section [63G-30-102](#), for three consecutive weeks
945 immediately before the public hearing.

946 (ii) A notice under Subsection (9)(c)(i) shall state:

947 (A) the date, time, and location of the public hearing; and
948 (B) that a copy of the feasibility study report may be obtained, free of charge, at the
949 office of the applicable community council or, if applicable, on the applicable community
950 council's website.

951 (10) A community council area may not incorporate if the feasibility study concludes
952 that incorporation of the community council area is not functionally and financially feasible.

953 (11) Notwithstanding any other provision of this part:

954 (a) the lieutenant governor shall pay the fees and costs of a feasibility consultant using
955 funds from the Municipal Incorporation Expendable Special Revenue Fund under Section

956 [10-2a-220](#); and

957 (b) if the community council area incorporates as a municipality, the newly
958 incorporated municipality shall pay incorporation costs to the lieutenant governor and county
959 as provided in Section [10-2a-220](#).

960 (12) Unless the request sponsors and county agree otherwise, conditions that a
961 feasibility study report indicates are necessary to be met for the incorporation of the community
962 council area to be functionally and financially feasible for the proposed community council
963 municipality are binding on the community council municipality and county if the
964 incorporation occurs.

965 Section 13. Section **10-2a-210** is amended to read:

966 **10-2a-210. Incorporation election -- Notice of election -- Voter information**
967 **pamphlet.**

968 (1) (a) If the county clerk certifies a petition for incorporation under Subsection
969 [10-2a-209](#)(1)(b), the lieutenant governor shall schedule an incorporation election for the
970 proposed municipality described in the petition for incorporation to be held on the date of the
971 next regular general election described in Section [20A-1-201](#), or the next municipal general
972 election described in Section [20A-1-202](#), that is at least 65 days after the day on which the
973 county clerk certifies the petition for incorporation.

974 (b) (i) The lieutenant governor shall direct the county legislative body of the county in
975 which the proposed municipality is located to hold the election on the date that the lieutenant
976 governor schedules under Subsection (1)(a).

977 (ii) The county legislative body shall hold the election as directed by the lieutenant
978 governor under Subsection (1)(b)(i).

979 (2) The county clerk shall provide notice of the election for the area proposed to be
980 incorporated, as a class B notice under Section [63G-30-102](#), for at least three weeks before the
981 day of the election.

982 (3) (a) The notice described in Subsection (2) shall include:

983 (i) a statement of the contents of the petition for incorporation;

984 (ii) a description of the area proposed to be incorporated as a municipality;

985 (iii) a statement of the date and time of the election and the location of polling places;

986 and

987 (iv) except as provided in Subsection (3)(b), the feasibility study summary described in
988 Subsection 10-2a-205(2)(c)(iii) and a statement that a full copy of the study is available on the
989 county's website and for inspection at the county offices.

990 (b) Instead of including the feasibility summary under Subsection (3)(a)(iv), the notice
991 may include a statement that specifies the following sources where a registered voter in the area
992 proposed to be incorporated may view or obtain a copy of the feasibility study:

- 993 (i) the county's website;
994 (ii) the physical address of the county clerk office; and
995 (iii) a mailing address and telephone number.

996 (4) (a) In addition to the notice described in Subsection (2), the county clerk shall
997 publish and distribute, before the incorporation election is held, a voter information pamphlet:
998 (i) in accordance with the procedures and requirements of Section 20A-7-402;
999 (ii) in consultation with the lieutenant governor; and
1000 (iii) in a manner that the county clerk determines is adequate, subject to Subsections
1001 (4)(a)(i) and (ii).

1002 (b) The voter information pamphlet described in Subsection (4)(a):
1003 (i) shall inform the public of the proposed incorporation; and
1004 (ii) may include written statements, printed in the same font style and point size, from
1005 proponents and opponents of the proposed incorporation.

1006 (5) An individual may not vote in an incorporation election under this section unless
1007 the individual is a registered voter who is a resident, as defined in Section 20A-1-102, within
1008 the boundaries of the proposed municipality.

1009 (6) (a) [Hf] Subject to Subsection (6)(b), if a majority of those who vote in an
1010 incorporation election held under this section cast votes in favor of incorporation, the area shall
1011 incorporate.

1012 (b) (i) As used in this Subsection (6)(b):

1013 (A) "Approving separate area" means a separate area in which a majority of those
1014 voting in an incorporation election for the incorporation of a community council area vote in
1015 favor of incorporation.

1016 (B) "Separate area" means an unincorporated island, as defined in Section 10-2-429,
1017 that is within a community council area.

1018 (ii) If a majority of those within a separate area voting in an incorporation election for
1019 the incorporation of a community council area vote against incorporation, that separate area is
1020 excluded from the incorporation.

1021 (iii) Approving separate areas are incorporated as a municipality if the combined total
1022 population within all approving separate areas is at least 80% of the population within the
1023 community council area.

1024 Section 14. Section **10-2a-403** is amended to read:

1025 **10-2a-403. Definitions.**

1026 As used in this section:

1027 (1) "Ballot proposition" means the same as that term is defined in Section [20A-1-102](#).

1028 (2) "Eligible city" means a city whose legislative body adopts a resolution agreeing to
1029 annex an unincorporated island.

1030 (3) "Local special election" means the same as that term is defined in Section
1031 [20A-1-102](#).

1032 [~~(4) "Municipal services district" means a district created in accordance with Title 17B,~~
1033 ~~Chapter 2a, Part 11, Municipal Services District Act.]~~

1034 [~~(5)~~ (4) (a) "Metro township" means, except as provided in Subsection (5)(b), a
1035 planning township that is incorporated in accordance with this part.

1036 (b) "Metro township" does not include a township as that term is used in the context of
1037 identifying a geographic area in common surveyor practice.

1038 [~~(6)~~ (5) (a) "Planning township" means an area located in a county of the first class
1039 that is established before January 1, 2015, as a township as defined in and established in
1040 accordance with law before the enactment of Laws of Utah 2015, Chapter 352.

1041 (b) "Planning township" does not include rural real property unless the owner of the
1042 rural real property provides written consent in accordance with Section [10-2a-405](#).

1043 [~~(7)~~ (6) (a) "Unincorporated island" means an unincorporated area that is completely
1044 surrounded by one or more municipalities.

1045 (b) "Unincorporated island" does not include a planning township.

1046 Section 15. Section **17B-1-414** is amended to read:

1047 **17B-1-414. Resolution approving an annexation -- Filing of notice and plat with**
1048 **lieutenant governor -- Recording requirements -- Effective date.**

1049 (1) (a) Subject to Subsection (1)(b), the special district board shall adopt a resolution
1050 approving the annexation of the area proposed to be annexed or rejecting the proposed
1051 annexation within 90 days after:

1052 (i) expiration of the protest period under Subsection 17B-1-412(2), if sufficient protests
1053 to require an election are not filed;

1054 (ii) for a petition that meets the requirements of Subsection 17B-1-413(1):

1055 (A) a public hearing under Section 17B-1-409 is held, if the board chooses or is
1056 required to hold a public hearing under Subsection 17B-1-413(2)(a)(ii); or

1057 (B) expiration of the time for submitting a request for public hearing under Subsection
1058 17B-1-413(2)(a)(ii)(B), if no request is submitted and the board chooses not to hold a public
1059 hearing.

1060 (b) If the special district has entered into an agreement with the United States that
1061 requires the consent of the United States for an annexation of territory to the district, a
1062 resolution approving annexation under this part may not be adopted until the written consent of
1063 the United States is obtained and filed with the board of trustees.

1064 (2) (a) (i) Within the time specified under Subsection (2)(a)(ii), the board shall file with
1065 the lieutenant governor:

1066 (A) a copy of a notice of an impending boundary action, as defined in Section
1067 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3) and, if applicable,
1068 Subsection (2)(b); and

1069 (B) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5.

1070 (ii) The board shall file the documents listed in Subsection (2)(a)(i) with the lieutenant
1071 governor:

1072 (A) within 30 days after adoption of a resolution under Subsection (1), Subsection
1073 17B-1-412(3)(c)(i), or Section 17B-1-415; and

1074 (B) as soon as practicable after receiving the notice under Subsection [~~10-2-425(2)~~]
1075 10-2-425(3) of a municipal annexation that causes an automatic annexation to a special district
1076 under Section 17B-1-416.

1077 (b) For an automatic annexation to a special district under Section 17B-1-416, the
1078 notice of an impending boundary action required under Subsection (2)(a) shall state that an area
1079 outside the boundaries of the special district is being automatically annexed to the special

1080 district under Section 17B-1-416 because of a municipal annexation under Title 10, Chapter 2,
1081 Part 4, Annexation.

1082 (c) Upon the lieutenant governor's issuance of a certificate of annexation under Section
1083 67-1a-6.5, the board shall:

1084 (i) if the annexed area is located within the boundary of a single county, submit to the
1085 recorder of that county:

1086 (A) the original:

1087 (I) notice of an impending boundary action;

1088 (II) certificate of annexation; and

1089 (III) approved final local entity plat; and

1090 (B) a certified copy of the annexation resolution; or

1091 (ii) if the annexed area is located within the boundaries of more than a single county:

1092 (A) submit to the recorder of one of those counties:

1093 (I) the original of the documents listed in Subsections (2)(c)(i)(A)(I), (II), and (III); and

1094 (II) a certified copy of the annexation resolution; and

1095 (B) submit to the recorder of each other county:

1096 (I) a certified copy of the documents listed in Subsection (2)(c)(i)(A)(I), (II), and (III);

1097 and

1098 (II) a certified copy of the annexation resolution.

1099 (3) (a) As used in this Subsection (3), "fire district annexation" means an annexation
1100 under this part of an area located in a county of the first class to a special district:

1101 (i) created to provide fire protection, paramedic, and emergency services; and

1102 (ii) in the creation of which an election was not required because of Subsection
1103 17B-1-214(3)(d).

1104 (b) An annexation under this part is complete and becomes effective:

1105 (i) (A) on July 1 for a fire district annexation, if the lieutenant governor issues the
1106 certificate of annexation under Section 67-1a-6.5 from January 1 through June 30; or

1107 (B) on January 1 for a fire district annexation, if the lieutenant governor issues the
1108 certificate of annexation under Section 67-1a-6.5 from July 1 through December 31; or

1109 (ii) upon the lieutenant governor's issuance of the certificate of annexation under
1110 Section 67-1a-6.5, for any other annexation.

1111 (c) (i) The effective date of a special district annexation for purposes of assessing
1112 property within the annexed area is governed by Section 59-2-305.5.

1113 (ii) Until the documents listed in Subsection (2)(c) are recorded in the office of the
1114 recorder of each county in which the property is located, a special district may not:

- 1115 (A) levy or collect a property tax on property within the annexed area;
- 1116 (B) levy or collect an assessment on property within the annexed area; or
- 1117 (C) charge or collect a fee for service provided to property within the annexed area.

1118 (iii) Subsection (3)(c)(ii)(C):

1119 (A) may not be construed to limit a special district's ability before annexation to charge
1120 and collect a fee for service provided to property that is outside the special district's boundary;
1121 and

1122 (B) does not apply until 60 days after the effective date, under Subsection (3)(b), of the
1123 special district's annexation, with respect to a fee that the special district was charging for
1124 service provided to property within the annexed area immediately before the area was annexed
1125 to the special district.

1126 Section 16. Section 17B-1-512 is amended to read:

1127 **17B-1-512. Filing of notice and plat -- Recording requirements -- Contest period**
1128 **-- Judicial review.**

1129 (1) (a) Within the time specified in Subsection (1)(b), the board of trustees shall file
1130 with the lieutenant governor:

1131 (i) a copy of a notice of an impending boundary action, as defined in Section 67-1a-6.5,
1132 that meets the requirements of Subsection 67-1a-6.5(3); and

1133 (ii) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5.

1134 (b) The board of trustees shall file the documents listed in Subsection (1)(a):

1135 (i) within 10 days after adopting a resolution approving a withdrawal under Section
1136 17B-1-510;

1137 (ii) on or before January 31 of the year following the board of trustees' receipt of a
1138 notice or copy described in Subsection (1)(c), if the board of trustees receives the notice or
1139 copy between July 1 and December 31; or

1140 (iii) on or before the July 31 following the board of trustees' receipt of a notice or copy
1141 described in Subsection (1)(c), if the board of trustees receives the notice or copy between

1142 January 1 and June 30.

1143 (c) The board of trustees shall comply with the requirements described in Subsection
1144 (1)(b)(ii) or (iii) after:

1145 (i) receiving:

1146 (A) a notice under Subsection [~~10-2-425(2)~~] 10-2-425(3) of an automatic withdrawal
1147 under Subsection 17B-1-502(2);

1148 (B) a copy of the municipal legislative body's resolution approving an automatic
1149 withdrawal under Subsection 17B-1-502(3)(a); or

1150 (C) notice of a withdrawal of a municipality from a special district under Section
1151 17B-1-502; or

1152 (ii) entering into an agreement with a municipality under Subsection
1153 17B-1-505(5)(a)(ii)(A) or (5)(b).

1154 (d) Upon the lieutenant governor's issuance of a certificate of withdrawal under Section
1155 67-1a-6.5, the board shall:

1156 (i) if the withdrawn area is located within the boundary of a single county, submit to
1157 the recorder of that county:

1158 (A) the original:

1159 (I) notice of an impending boundary action;

1160 (II) certificate of withdrawal; and

1161 (III) approved final local entity plat; and

1162 (B) if applicable, a certified copy of the resolution or notice referred to in Subsection
1163 (1)(b); or

1164 (ii) if the withdrawn area is located within the boundaries of more than a single county,
1165 submit:

1166 (A) the original of the documents listed in Subsections (1)(d)(i)(A)(I), (II), and (III)
1167 and, if applicable, a certified copy of the resolution or notice referred to in Subsection (1)(b) to
1168 one of those counties; and

1169 (B) a certified copy of the documents listed in Subsections (1)(d)(i)(A)(I), (II), and (III)
1170 and a certified copy of the resolution or notice referred to in Subsection (1)(b) to each other
1171 county.

1172 (2) (a) Upon the lieutenant governor's issuance of the certificate of withdrawal under

1173 Section 67-1a-6.5 for a withdrawal under Section 17B-1-510, for an automatic withdrawal
1174 under Subsection 17B-1-502(3), or for the withdrawal of a municipality from a special district
1175 under Section 17B-1-505, the withdrawal shall be effective, subject to the conditions of the
1176 withdrawal resolution, if applicable.

1177 (b) An automatic withdrawal under Subsection 17B-1-502(3) shall be effective upon
1178 the lieutenant governor's issuance of a certificate of withdrawal under Section 67-1a-6.5.

1179 (3) (a) The special district may provide for the publication of any resolution approving
1180 or denying the withdrawal of an area:

1181 (i) in a newspaper of general circulation in the area proposed for withdrawal; and

1182 (ii) as required in Section 45-1-101.

1183 (b) In lieu of publishing the entire resolution, the special district may publish a notice
1184 of withdrawal or denial of withdrawal, containing:

1185 (i) the name of the special district;

1186 (ii) a description of the area proposed for withdrawal;

1187 (iii) a brief explanation of the grounds on which the board of trustees determined to
1188 approve or deny the withdrawal; and

1189 (iv) the times and place where a copy of the resolution may be examined, which shall
1190 be at the place of business of the special district, identified in the notice, during regular
1191 business hours of the special district as described in the notice and for a period of at least 30
1192 days after the publication of the notice.

1193 (4) Any sponsor of the petition or receiving entity may contest the board's decision to
1194 deny a withdrawal of an area from the special district by submitting a request, within 60 days
1195 after the resolution is adopted under Section 17B-1-510, to the board of trustees, suggesting
1196 terms or conditions to mitigate or eliminate the conditions upon which the board of trustees
1197 based its decision to deny the withdrawal.

1198 (5) Within 60 days after the request under Subsection (4) is submitted to the board of
1199 trustees, the board may consider the suggestions for mitigation and adopt a resolution
1200 approving or denying the request in the same manner as provided in Section 17B-1-510 with
1201 respect to the original resolution denying the withdrawal and file a notice of the action as
1202 provided in Subsection (1).

1203 (6) (a) Any person in interest may seek judicial review of:

- 1204 (i) the board of trustees' decision to withdraw an area from the special district;
- 1205 (ii) the terms and conditions of a withdrawal; or
- 1206 (iii) the board's decision to deny a withdrawal.

1207 (b) Judicial review under this Subsection (6) shall be initiated by filing an action in the
1208 district court in the county in which a majority of the area proposed to be withdrawn is located:

1209 (i) if the resolution approving or denying the withdrawal is published under Subsection
1210 (3), within 60 days after the publication or after the board of trustees' denial of the request
1211 under Subsection (5);

1212 (ii) if the resolution is not published pursuant to Subsection (3), within 60 days after
1213 the resolution approving or denying the withdrawal is adopted; or

1214 (iii) if a request is submitted to the board of trustees of a special district under
1215 Subsection (4), and the board adopts a resolution under Subsection (5), within 60 days after the
1216 board adopts a resolution under Subsection (5) unless the resolution is published under
1217 Subsection (3), in which event the action shall be filed within 60 days after the publication.

1218 (c) A court in which an action is filed under this Subsection (6) may not overturn, in
1219 whole or in part, the board of trustees' decision to approve or reject the withdrawal unless:

- 1220 (i) the court finds the board of trustees' decision to be arbitrary or capricious; or
- 1221 (ii) the court finds that the board materially failed to follow the procedures set forth in
1222 this part.

1223 (d) A court may award costs and expenses of an action under this section, including
1224 reasonable attorney fees, to the prevailing party.

1225 (7) After the applicable contest period under Subsection (4) or (6), no person may
1226 contest the board of trustees' approval or denial of withdrawal for any cause.

1227 Section 17. Section **17B-2a-1106** is amended to read:

1228 **17B-2a-1106. Municipal services district board of trustees -- Governance.**

1229 (1) Notwithstanding any other provision of law regarding the membership of a special
1230 district board of trustees, the initial board of trustees of a municipal services district shall
1231 consist of the county legislative body.

1232 (2) (a) If, after the initial creation of a municipal services district, an area within the
1233 district is incorporated as a municipality as defined in Section [10-1-104](#) and the area is not
1234 withdrawn from the district in accordance with Section [17B-1-502](#) or [17B-1-505](#), or an area

1235 within the municipality is annexed into the municipal services district in accordance with
1236 Section [17B-2a-1103](#), the district's board of trustees shall be as follows:

- 1237 (i) subject to Subsection (2)(b), a member of that municipality's governing body;
1238 (ii) one member of the county council of the county in which the municipal services
1239 district is located; and
1240 (iii) the total number of board members is not required to be an odd number.

1241 (b) A member described in Subsection (2)(a)(i) shall be:

1242 (i) for a municipality other than a metro township, designated by the municipal
1243 legislative body; and

1244 (ii) for a metro township, the mayor of the metro township or, during any period of
1245 time when the mayor is absent, unable, or refuses to act, the mayor pro tempore that the metro
1246 township council elects in accordance with Subsection [10-3b-503](#)(4).

1247 (3) (a) As used in this Subsection (3):

1248 (i) "District participant" means:

1249 (A) the county that created a municipal services district under Section [17B-2a-1105](#); or

1250 (B) a municipality that is part of the municipal services district.

1251 (ii) "Proportionate amount" means, for each district participant, the amount that is

1252 attributable to the district participant in proportion to the total amount attributable to all district
1253 participants.

1254 (iii) "Trigger date" means the earliest of:

1255 (A) the effective date of an annexation of an unincorporated island, as defined in

1256 Section [10-2-429](#), that occurs under Title 10, Chapter 2, Part 4, Annexation, excluding an

1257 automatic annexation under Section [10-2-429](#);

1258 (B) the effective date of an incorporation of a community council area, as defined in

1259 Section [10-2a-102](#); and

1260 (C) the effective date of an automatic annexation under Section [10-2-429](#).

1261 (b) For a board of trustees described in Subsection (2), each board member's vote is
1262 weighted;

1263 (i) until the trigger date, using the proportion of the municipal services district
1264 population that resides:

1265 ~~(a)~~ (A) for each member described in Subsection (2)(a)(i), within that member's

1266 municipality; and
1267 ~~[(b)]~~ (B) for the member described in Subsection (2)(a)(ii), within the unincorporated
1268 county[-]; and

1269 (ii) beginning the trigger date:

1270 (A) 60% according to the proportionate amount of the combined total of sales tax
1271 revenue and revenue for B and C roads under Section 72-2-108;

1272 (B) 30% according to the proportionate amount of weighted mileage, as defined in
1273 Section 72-2-108; and

1274 (C) 10% according to the proportionate amount of population.

1275 (4) The board may adopt a resolution providing for future board members to be
1276 appointed, as provided in Section 17B-1-304, or elected, as provided in Section 17B-1-306.

1277 (5) Notwithstanding Subsections 17B-1-309(1) or 17B-1-310(1), the board of trustees
1278 may adopt a resolution to determine the internal governance of the board.

1279 (6) The municipal services district and the county may enter into an agreement for the
1280 provision of legal services to the municipal services district.

1281 Section 18. Section 63I-2-210 is amended to read:

1282 **63I-2-210. Repeal dates: Title 10.**

1283 (1) On January 1, 2025, Section 10-9a-604.9 is repealed.

1284 (2) On July 1, 2028:

1285 (a) Subsection 10-2a-205(2)(b)(iii) is repealed; and

1286 (b) Section 10-2a-205.5 is repealed.

1287 Section 19. **Effective date.**

1288 (1) Except as provided in Subsection (2), this bill takes effect on May 1, 2024.

1289 (2) The actions affecting Section 10-2-425 (Effective 07/01/24) take effect on July 1,
1290 2024.