{deleted text} shows text that was in HB0330 but was deleted in HB0330S01.

inserted text shows text that was not in HB0330 but was inserted into HB0330S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

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: { _______ <u>Kirk A. Cullimore</u>

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 <u>unincorporated islands within</u> a community council area {within} 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;
- <u>modifies a provision relating to the membership of a board of trustees of a municipal services district;</u>
- <u>provides for provisions relating to a community council incorporation to be</u>
 <u>repealed;</u> and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

- 10-2-403, as last amended by Laws of Utah 2023, Chapters 16, 34 and 478
- **10-2-425 (Superseded 07/01/24)**, as last amended by Laws of Utah 2023, Chapters 16, 327
- **10-2-425 (Effective 07/01/24)**, as last amended by Laws of Utah 2023, Chapters 16, 310 and 327
- 10-2a-102, as last amended by Laws of Utah 2023, Chapter 224
- 10-2a-103, as last amended by Laws of Utah 2023, Chapter 224
- **10-2a-201.5**, as last amended by Laws of Utah 2023, Chapter 224
- 10-2a-202, as last amended by Laws of Utah 2023, Chapter 224
- 10-2a-204.5, as renumbered and amended by Laws of Utah 2023, Chapter 224
- **10-2a-205**, as last amended by Laws of Utah 2023, Chapters 16, 224
- 10-2a-210, as last amended by Laws of Utah 2023, Chapters 16, 224 and 435
- 10-2a-403, as enacted by Laws of Utah 2015, Chapter 352 and further amended by

Revisor Instructions, Laws of Utah 2015, Chapter 352

- 17B-1-414, as last amended by Laws of Utah 2023, Chapter 15
- 17B-1-512, as last amended by Laws of Utah 2023, Chapter 15
- 17B-2a-1106, as last amended by Laws of Utah 2023, Chapter 15
- **63I-2-210**, as last amended by Laws of Utah 2023, Chapter 501

ENACTS:

10-2-429, Utah Code Annotated 1953

10-2a-107, Utah Code Annotated 1953

10-2a-205.5, Utah Code Annotated 1953

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

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

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

- (1) Except as provided in Section 10-2-418 <u>and except for an automatic annexation</u> <u>under Section 10-2-429</u>, the process to annex an unincorporated area to a municipality is initiated by a petition as provided in this section.
- (2) (a) (i) Before filing a petition under Subsection (1), the person or persons intending to file a petition shall:
- (A) file with the city recorder or town clerk of the proposed annexing municipality a notice of intent to file a petition; and
 - (B) send a copy of the notice of intent to each affected entity.
- (ii) Each notice of intent under Subsection (2)(a)(i) shall include an accurate map of the area that is proposed to be annexed.
- (b) (i) Subject to Subsection (2)(b)(ii), the county in which the area proposed to be annexed is located shall:
 - (A) mail the notice described in Subsection (2)(b)(iii) to:
 - (I) each owner of real property located within the area proposed to be annexed; and
- (II) each owner of real property located within 300 feet of the area proposed to be annexed; and
- (B) send to the proposed annexing municipality a copy of the notice and a certificate indicating that the notice has been mailed as required under Subsection (2)(b)(i)(A).
- (ii) The county shall mail the notice required under Subsection (2)(b)(i)(A) within 20 days after receiving from the person or persons who filed the notice of intent:
 - (A) a written request to mail the required notice; and
- (B) payment of an amount equal to the county's expected actual cost of mailing the notice.

- (iii) Each notice required under Subsection (2)(b)(i)(A) shall:
- (A) be in writing;
- (B) state, in bold and conspicuous terms, substantially the following:
- "Attention: Your property may be affected by a proposed annexation.

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

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

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

- (C) be accompanied by an accurate map identifying the area proposed for annexation.
- (iv) A county may not mail with the notice required under Subsection (2)(b)(i)(A) any

other information or materials related or unrelated to the proposed annexation.

- (c) (i) After receiving the certificate from the county as provided in Subsection (2)(b)(i)(B), the proposed annexing municipality shall, upon request from the person or persons who filed the notice of intent under Subsection (2)(a)(i)(A), provide an annexation petition for the annexation proposed in the notice of intent.
- (ii) An annexation petition provided by the proposed annexing municipality may be duplicated for circulation for signatures.
 - (3) Each petition under Subsection (1) shall:
- (a) be filed with the applicable city recorder or town clerk of the proposed annexing municipality;
- (b) contain the signatures of, if all the real property within the area proposed for annexation is owned by a public entity other than the federal government, the owners of all the publicly owned real property, or the owners of private real property that:
 - (i) is located within the area proposed for annexation;
- (ii) (A) subject to Subsection (3)(b)(ii)(C), covers a majority of the private land area within the area proposed for annexation;
- (B) covers 100% of all of the rural real property within the area proposed for annexation; and
- (C) covers 100% of all of the private land area within the area proposed for annexation or a migratory bird production area created under Title 23A, Chapter 13, Migratory Bird Production Area; and
- (iii) is equal in value to at least 1/3 of the value of all private real property within the area proposed for annexation;
 - (c) be accompanied by:
- (i) an accurate and recordable map, prepared by a licensed surveyor in accordance with Section 17-23-20, of the area proposed for annexation; and
- (ii) a copy of the notice sent to affected entities as required under Subsection(2)(a)(i)(B) and a list of the affected entities to which notice was sent;
- (d) contain on each signature page a notice in bold and conspicuous terms that states substantially the following:

"Notice:

- There will be no public election on the annexation proposed by this petition because Utah law does not provide for an annexation to be approved by voters at a public election.
- If you sign this petition and later decide that you do not support the petition, you may withdraw your signature by submitting a signed, written withdrawal with the recorder or clerk of (state the name of the proposed annexing municipality). If you choose to withdraw your signature, you shall do so no later than 30 days after (state the name of the proposed annexing municipality) receives notice that the petition has been certified.";
- (e) if the petition proposes a cross-county annexation, as defined in Section 10-2-402.5, be accompanied by a copy of the resolution described in Subsection 10-2-402.5(4)(a)(iii)(A); and
- (f) designate up to five of the signers of the petition as sponsors, one of whom shall be designated as the contact sponsor, and indicate the mailing address of each sponsor.
- (4) A petition under Subsection (1) may not propose the annexation of all or part of an area proposed for annexation to a municipality in a previously filed petition that has not been denied, rejected, or granted.
- (5) If practicable and feasible, the boundaries of an area proposed for annexation shall be drawn:
- (a) along the boundaries of existing special districts and special service districts for sewer, water, and other services, along the boundaries of school districts whose boundaries follow city boundaries or school districts adjacent to school districts whose boundaries follow city boundaries, and along the boundaries of other taxing entities;
- (b) to eliminate islands and peninsulas of territory that is not receiving municipal-type services;
 - (c) to facilitate the consolidation of overlapping functions of local government;
 - (d) to promote the efficient delivery of services; and
 - (e) to encourage the equitable distribution of community resources and obligations.
- (6) On the date of filing, the petition sponsors shall deliver or mail a copy of the petition to the clerk of the county in which the area proposed for annexation is located.
- (7) A property owner who signs an annexation petition may withdraw the owner's signature by filing a written withdrawal, signed by the property owner, with the city recorder or town clerk no later than 30 days after the municipal legislative body's receipt of the notice of

certification under Subsection 10-2-405(2)(c)(i). 10-2a-403. Definitions. As used in this section: (1) "Ballot proposition" means the same as that term is defined in Section 20A-1-102. (2) "Eligible city" means a city whose legislative body adopts a resolution agreeing to annex an unincorporated island. (3) "Local special election" means the same as that term is defined in Section 20A-1-102. (4) "Municipal services district" means a district created in accordance with Title 17B, Chapter 2a, Part 11, Municipal Services District Act. (5) (a) "Metro township" means, except as provided in Subsection (5)(b), a planning township that is incorporated in accordance with this part. (b) "Metro township" does not include a township as that term is used in the context of identifying a geographic area in common surveyor practice. (6) (a) "Planning township" means an area located in a county of the first class that is established before January 1, 2015, as a township as defined in and established in accordance with law before the enactment of Laws of Utah 2015, Chapter 352. (b) "Planning township" does not include rural real property unless the owner of the rural real property provides written consent in accordance with Section 10-2a-405. (7) (a) "Unincorporated island" means an unincorporated area that is completely surrounded by one or more municipalities. (b) "Unincorporated island" does not include a planning township. 17B-2a-1106. Municipal services district board of trustees -- Governance. (1) Notwithstanding any other provision of law regarding the membership of a special district board of trustees, the initial board of trustees of a municipal services district shall consist of the county legislative body. (2) (a) If, after the initial creation of a municipal services district, an area within the district is incorporated as a municipality as defined in Section 10-1-104 and the area is not withdrawn from the district in accordance with Section 17B-1-502 or 17B-1-505, or an area within the municipality is annexed into the municipal services district in accordance with Section 17B-2a-1103, the district's board of trustees shall be as follows:

(i) subject to Subsection (2)(b), a member of that municipality's governing body; (ii) one member of the county council of the county in which the municipal services district is located; and (iii) the total number of board members is not required to be an odd number. (b) A member described in Subsection (2)(a)(i) shall be: (i) for a municipality other than a metro township, designated by the municipal legislative body; and (ii) for a metro township, the mayor of the metro township or, during any period of time when the mayor is absent, unable, or refuses to act, the mayor pro tempore that the metro township council elects in accordance with Subsection 10-3b-503(4). (3) For a board of trustees described in Subsection (2), each board member's vote is weighted using the proportion of the municipal services district population that resides: (a) for each member described in Subsection (2)(a)(i), within that member's municipality; and (b) for the member described in Subsection (2)(a)(ii), within the unincorporated county. (4) The board may adopt a resolution providing for future board members to be appointed, as provided in Section 17B-1-304, or elected, as provided in Section 17B-1-306. (5) Notwithstanding Subsections 17B-1-309(1) or 17B-1-310(1), the board of trustees may adopt a resolution to determine the internal governance of the board. (6) The municipal services district and the county may enter into an agreement for the provision of legal services to the municipal services district. 63I-2-210. Repeal dates: Title 10. On January 1, 2025, Section 10-9a-604.9 is repealed. Section 2. Section 10-2-425 (Superseded 07/01/24) is amended to read: } 10-2-425 (Superseded 07/01/24). Filing of notice and plat -- Recording and notice requirements -- Effective date of annexation or boundary adjustment. (1) [The] As used in this section: (a) "Annexation action" means: (i) the enactment of an ordinance annexing an unincorporated area;

(ii) an election approving an annexation under Section 10-2a-404;

- (iii) the enactment of an ordinance approving a boundary adjustment by each of the municipalities involved in the boundary adjustment; or
- (iv) an automatic annexation that occurs on July 1, 2027 under {Section} Subsection 10-2-429(2)(a).
 - (b) "Applicable legislative body" means:
- (i) the legislative body of each municipality that enacts an ordinance under this part approving the annexation of an unincorporated area or the adjustment of a boundary[, or];
- (ii) the legislative body of an eligible city, as defined in Section 10-2a-403, that annexes an unincorporated island upon the results of an election held in accordance with Section 10-2a-404[5]; or
- (iii) the legislative body of a municipality to which an unincorporated island is automatically annexed under Section 10-2-429.
 - (2) An applicable legislative body shall:
- (a) within 60 days after [enacting the ordinance or the day of the election or, in the case of a boundary adjustment, within 60 days after each of the municipalities involved in the boundary adjustment has enacted an ordinance] an annexation action, file with the lieutenant governor:
- (i) a notice of an impending boundary action, as defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); [and]
 - (ii) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5; and
 - (iii) if applicable, a copy of an agreement under Subsection 10-2-429(2)(a)(ii);
- (b) upon the lieutenant governor's issuance of a certificate of annexation or boundary adjustment, as the case may be, under Section 67-1a-6.5:
- (i) if the annexed area or area subject to the boundary adjustment is located within the boundary of a single county, submit to the recorder of that county the original notice of an impending boundary action, the original certificate of annexation or boundary adjustment, the original approved final local entity plat, and a certified copy of the ordinance approving the annexation or boundary adjustment; or
- (ii) if the annexed area or area subject to the boundary adjustment is located within the boundaries of more than a single county:
 - (A) submit to the recorder of one of those counties the original notice of impending

boundary action, the original certificate of annexation or boundary adjustment, and the original approved final local entity plat;

- (B) submit to the recorder of each other county a certified copy of the documents listed in Subsection [(1)(b)(ii)(A)] (2)(b)(ii)(A); and
- (C) submit a certified copy of the ordinance approving the annexation or boundary adjustment to each county described in Subsections [(1)(b)(ii)(A)] (2)(b)(ii)(A) and (B); and
 - (c) concurrently with Subsection [(1)(b)] (2)(b):
 - (i) send notice of the annexation or boundary adjustment to each affected entity; and
- (ii) in accordance with Section 26B-4-168, file with the Department of Health and Human Services:
- (A) a certified copy of the ordinance approving the annexation of an unincorporated area or the adjustment of a boundary, if applicable; and
 - (B) a copy of the approved final local entity plat.
- [(2)] (3) If an annexation or boundary adjustment under this part or Chapter 2a, Part 4, Incorporation of Metro Townships and Unincorporated Islands in a County of the First Class on and after May 12, 2015, also causes an automatic annexation to a special district under Section 17B-1-416 or an automatic withdrawal from a special district under Subsection 17B-1-502(2), the municipal legislative body shall, as soon as practicable after the lieutenant governor issues a certificate of annexation or boundary adjustment under Section 67-1a-6.5, send notice of the annexation or boundary adjustment to the special district to which the annexed area is automatically annexed or from which the annexed area is automatically withdrawn.
- [(3)] (4) Each notice required under Subsection (1) relating to an annexation or boundary adjustment shall state the effective date of the annexation or boundary adjustment, as determined under Subsection [(4)] (5).
- [(4)] (5) An annexation or boundary adjustment under this part is completed and takes effect:
- (a) for the annexation of or boundary adjustment affecting an area located in a county of the first class, except for an annexation under Section 10-2-418:
- (i) July 1 following the lieutenant governor's issuance under Section 67-1a-6.5 of a certificate of annexation or boundary adjustment if:

- (A) the certificate is issued during the preceding November 1 through April 30; and
- (B) the requirements of Subsection [(1)] (2) are met before that July 1; or
- (ii) January 1 following the lieutenant governor's issuance under Section 67-1a-6.5 of a certificate of annexation or boundary adjustment if:
 - (A) the certificate is issued during the preceding May 1 through October 31; and
 - (B) the requirements of Subsection [(1)] (2) are met before that January 1; and
- (b) subject to Subsection [(5)] (6), for all other annexations and boundary adjustments, the date of the lieutenant governor's issuance, under Section 67-1a-6.5, of a certificate of annexation or boundary adjustment.
- [(5)] (6) If an annexation of an unincorporated island is based upon the results of an election held in accordance with Section 10-2a-404:
- (a) the county and the annexing municipality may agree to a date on which the annexation is complete and takes effect; and
- (b) the lieutenant governor shall issue, under Section 67-1a-6.5, a certification of annexation on the date agreed to under Subsection [(5)(a)] (6)(a).
 - [(6)] (7) (a) As used in this Subsection [(6)] (7):
 - (i) "Affected area" means:
 - (A) in the case of an annexation, the annexed area; and
- (B) in the case of a boundary adjustment, any area that, as a result of the boundary adjustment, is moved from within the boundary of one municipality to within the boundary of another municipality.
 - (ii) "Annexing municipality" means:
- (A) in the case of an annexation, the municipality that annexes an unincorporated area or the municipality to which an unincorporated island is automatically annexed under Section 10-2-429; and
- (B) in the case of a boundary adjustment, a municipality whose boundary includes an affected area as a result of a boundary adjustment.
- (b) The effective date of an annexation or boundary adjustment for purposes of assessing property within an affected area is governed by Section 59-2-305.5.
- (c) Until the documents listed in Subsection $[\frac{(1)(b)(i)}{(2)(b)(i)}]$ are recorded in the office of the recorder of each county in which the property is located, a municipality may not:

- (i) levy or collect a property tax on property within an affected area;
- (ii) levy or collect an assessment on property within an affected area; or
- (iii) charge or collect a fee for service provided to property within an affected area, unless the municipality was charging and collecting the fee within that area immediately before annexation.
 - Section 3. Section 10-2-425 (Effective 07/01/24) is amended to read:
- 10-2-425 (Effective 07/01/24). Filing of notice and plat -- Recording and notice requirements -- Effective date of annexation or boundary adjustment.
 - (1) [The] As used in this section:
 - (a) "Annexation action" means:
 - (i) the enactment of an ordinance annexing an unincorporated area;
 - (ii) an election approving an annexation under Section 10-2a-404;
- (iii) the enactment of an ordinance approving a boundary adjustment by each of the municipalities involved in the boundary adjustment; or
- (iv) an automatic annexation that occurs on July 1, 2027 under {Section} Subsection 10-2-429(2)(b).
 - (b) "Applicable legislative body" means:
- (i) the legislative body of each municipality that enacts an ordinance under this part approving the annexation of an unincorporated area or the adjustment of a boundary[, or];
- (ii) the legislative body of an eligible city, as defined in Section 10-2a-403, that annexes an unincorporated island upon the results of an election held in accordance with Section 10-2a-404[5]; or
- (iii) the legislative body of a municipality to which an unincorporated island is automatically annexed under Section 10-2-429.
 - (2) An applicable legislative body shall:
- (a) within 60 days after [enacting the ordinance or the day of the election or, in the case of a boundary adjustment, within 60 days after each of the municipalities involved in the boundary adjustment has enacted an ordinance] an annexation action, file with the lieutenant governor:
- (i) a notice of an impending boundary action, as defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); [and]

- (ii) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5; <u>and</u> (iii) if applicable, a copy of an agreement under Subsection 10-2-429(2)(a)(ii);
- (b) upon the lieutenant governor's issuance of a certificate of annexation or boundary adjustment, as the case may be, under Section 67-1a-6.5:
- (i) if the annexed area or area subject to the boundary adjustment is located within the boundary of a single county, submit to the recorder of that county the original notice of an impending boundary action, the original certificate of annexation or boundary adjustment, the original approved final local entity plat, and a certified copy of the ordinance approving the annexation or boundary adjustment; or
- (ii) if the annexed area or area subject to the boundary adjustment is located within the boundaries of more than a single county:
- (A) submit to the recorder of one of those counties the original notice of impending boundary action, the original certificate of annexation or boundary adjustment, and the original approved final local entity plat;
- (B) submit to the recorder of each other county a certified copy of the documents listed in Subsection [(1)(b)(ii)(A)](2)(b)(ii)(A); and
- (C) submit a certified copy of the ordinance approving the annexation or boundary adjustment to each county described in Subsections [(1)(b)(ii)(A)](2)(b)(ii)(A) and (B); and
 - (c) concurrently with Subsection [(1)(b)] (2)(b):
 - (i) send notice of the annexation or boundary adjustment to each affected entity; and
- (ii) in accordance with Section 53-2d-514, file with the Bureau of Emergency Medical Services:
- (A) a certified copy of the ordinance approving the annexation of an unincorporated area or the adjustment of a boundary, if applicable; and
 - (B) a copy of the approved final local entity plat.
- [(2)] (3) If an annexation or boundary adjustment under this part or Chapter 2a, Part 4, Incorporation of Metro Townships and Unincorporated Islands in a County of the First Class on and after May 12, 2015, also causes an automatic annexation to a special district under Section 17B-1-416 or an automatic withdrawal from a special district under Subsection 17B-1-502(2), the municipal legislative body shall, as soon as practicable after the lieutenant governor issues a certificate of annexation or boundary adjustment under Section 67-1a-6.5,

send notice of the annexation or boundary adjustment to the special district to which the annexed area is automatically annexed or from which the annexed area is automatically withdrawn.

- [(3)] (4) Each notice required under Subsection (1) relating to an annexation or boundary adjustment shall state the effective date of the annexation or boundary adjustment, as determined under Subsection [(4)] (5).
- [(4)] (5) An annexation or boundary adjustment under this part is completed and takes effect:
- (a) for the annexation of or boundary adjustment affecting an area located in a county of the first class, except for an annexation under Section 10-2-418:
- (i) July 1 following the lieutenant governor's issuance under Section 67-1a-6.5 of a certificate of annexation or boundary adjustment if:
 - (A) the certificate is issued during the preceding November 1 through April 30; and
 - (B) the requirements of Subsection [(1)] (2) are met before that July 1; or
- (ii) January 1 following the lieutenant governor's issuance under Section 67-1a-6.5 of a certificate of annexation or boundary adjustment if:
 - (A) the certificate is issued during the preceding May 1 through October 31; and
 - (B) the requirements of Subsection [(1)] (2) are met before that January 1; and
- (b) subject to Subsection [(5)] (6), for all other annexations and boundary adjustments, the date of the lieutenant governor's issuance, under Section 67-1a-6.5, of a certificate of annexation or boundary adjustment.
- [(5)] (6) If an annexation of an unincorporated island is based upon the results of an election held in accordance with Section 10-2a-404:
- (a) the county and the annexing municipality may agree to a date on which the annexation is complete and takes effect; and
- (b) the lieutenant governor shall issue, under Section 67-1a-6.5, a certification of annexation on the date agreed to under Subsection [(5)(a)] (6)(a).
 - $[\underline{(6)}]$ $(\underline{7})$ (a) As used in this Subsection $[\underline{(6)}]$ $(\underline{7})$:
 - (i) "Affected area" means:
 - (A) in the case of an annexation, the annexed area; and
 - (B) in the case of a boundary adjustment, any area that, as a result of the boundary

adjustment, is moved from within the boundary of one municipality to within the boundary of another municipality.

- (ii) "Annexing municipality" means:
- (A) in the case of an annexation, the municipality that annexes an unincorporated area or the municipality to which an unincorporated island is automatically annexed under Section 10-2-429; and
- (B) in the case of a boundary adjustment, a municipality whose boundary includes an affected area as a result of a boundary adjustment.
- (b) The effective date of an annexation or boundary adjustment for purposes of assessing property within an affected area is governed by Section 59-2-305.5.
- (c) Until the documents listed in Subsection $[\frac{(1)(b)(i)}{(2)(b)(i)}]$ are recorded in the office of the recorder of each county in which the property is located, a municipality may not:
 - (i) levy or collect a property tax on property within an affected area;
 - (ii) levy or collect an assessment on property within an affected area; or
- (iii) charge or collect a fee for service provided to property within an affected area, unless the municipality was charging and collecting the fee within that area immediately before annexation.

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

<u>10-2-429.</u> Automatic annexations in county of the first class.

- (1) As used in this section:
- (a) "Most populous bordering municipality" means the municipality with the highest population of any municipality that shares a common border with an unincorporated island.
 - (b) "Unincorporated island" means an area that is:
 - (i) within a county of the first class;
 - (ii) not within a municipality; and
- (iii) completely surrounded by <u>land that is within one or more</u> municipalities within the <u>county of the first class.</u>
- (2) (a) Notwithstanding any other provision of this part, on July 1, 2027 an unincorporated island is automatically annexed to:
- (i) the most populous bordering municipality, except as provided in Subsection (2)(a)(ii); or

- (ii) a municipality other than the most populous bordering municipality if:
- (A) the other municipality shares a common border with the unincorporated island; and
- (B) the other municipality and the most populous bordering municipality each adopt a resolution agreeing that the unincorporated island should be annexed to the other municipality.
- (b) The effective date of an annexation under Subsection (2)(a) is governed by Section 10-2-425.

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

10-2a-102. Definitions.

- (1) As used in this [part and Part 2, Incorporation of a Municipality] chapter:
- (a) "Community council area" means the cumulative areas within the geographic boundary of a community council that is formally recognized by a county of the first class pursuant to county ordinance.
- (b) "Community council municipality" means a municipality that results from the incorporation of unincorporated islands within a community council area.
- [(a)] ((b)c) "Contact sponsor" means the person designated in the feasibility request as the contact sponsor under Subsection 10-2a-202(2)(d).
- $[\frac{b}{c}]$ (i) "Contiguous" means, except as provided in Subsection (1)(b)(ii), the same as that term is defined in Section 10-1-104.
 - (ii) "Contiguous" does not include a circumstance where:
- (A) two areas of land are only connected by a strip of land between geographically separate areas; and
- (B) the distance between the geographically separate areas described in Subsection [(1)(b)(ii)(A)] (1)(c)(ii)(A) is greater than the average width of the strip of land connecting the geographically separate areas.
- [(c)] (de) "Feasibility consultant" means a person or firm: with the qualifications and expertise described in Subsection 10-2a-205(2)(b).
 - (i) with expertise in the processes and economics of local government; and
- [(ii) who is independent of and not affiliated with a county or sponsor of a petition to incorporate.]
- [(d)] (fe) "Feasibility request" means a request, described in Section 10-2a-202, for a feasibility study for the proposed incorporation of a municipality.

- [(e)] (ffg) (i) "Municipal service" means any of the following that are publicly provided:
 - (A) culinary water;
 - (B) secondary water;
 - (C) sewer service;
 - (D) storm drainage or flood control;
 - (E) recreational facilities or parks;
 - (F) electrical power generation or distribution;
 - (G) construction or maintenance of local streets and roads;
 - (H) street lighting;
 - (I) curb, gutter, and sidewalk maintenance;
 - (J) law or code enforcement service;
 - (K) fire protection service;
 - (L) animal services;
 - (M) planning and zoning;
 - (N) building permits and inspections;
 - (O) refuse collection; or
 - (P) weed control.
- (ii) "Municipal service" includes the physical facilities required to provide a service described in Subsection [(1)(e)(i)] (1)(f)(i).
- (h) "Municipal services district" means a special district created under Title 17B, Chapter 2a, Part 11, Municipal Services District Act.
 - [(f)] (fg)i "Private," with respect to real property, means taxable property.
 - (2) For purposes of this part:
- (a) the owner of real property shall be the record title owner according to the records of the county recorder on the date of the filing of the feasibility request or petition for incorporation; and
- (b) the assessed fair market value of private real property shall be determined according to the last assessment roll for county taxes before the filing of the feasibility request or petition for incorporation.
 - (3) For purposes of each provision of this part that requires the owners of private real

property covering a percentage or fraction of the total private land area within an area to sign a feasibility request or a petition for incorporation:

- (a) a parcel of real property may not be included in the calculation of the required percentage or fraction unless the feasibility request or petition for incorporation is signed by:
- (i) except as provided in Subsection (3)(a)(ii), owners representing a majority ownership interest in that parcel; or
- (ii) if the parcel is owned by joint tenants or tenants by the entirety, 50% of the number of owners of that parcel;
- (b) the signature of a person signing a feasibility request or a petition for incorporation in a representative capacity on behalf of an owner is invalid unless:
- (i) the person's representative capacity and the name of the owner the person represents are indicated on the feasibility request or petition for incorporation with the person's signature;
 and
- (ii) the person provides documentation accompanying the feasibility request or petition for incorporation that substantiates the person's representative capacity; and
- (c) subject to Subsection (3)(b), a duly appointed personal representative may sign a feasibility request or a petition for incorporation on behalf of a deceased owner.

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

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

- (1) (a) [A] An unincorporated contiguous area of a county not within a municipality may incorporate as a municipality as provided in this chapter.
- (b) Two or more {noncontiguous unincorporated areas within a county of the first class}unincorporated islands, as defined in Section 10-2-429, that are not contiguous with each other may incorporate as a municipality, as provided in this chapter, if those {areas constitute}unincorporated islands are part of a community council area.
 - (2) If a proposed incorporation relates to an area in more than one county:
- (a) the individual who files the feasibility request shall file the request with each county containing a portion of the area proposed for incorporation; and
- (b) the counties shall work together, in accordance with direction given by the lieutenant governor, to complete the actions required by this chapter.

Section 7. Section $\frac{10-2a-201.5}{10-2a-107}$ is $\frac{\text{amended}}{\text{enacted}}$ to read:

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

- (1) As used in this section:
- (a) "Service area" means the area for which a service provider provided municipal services to an unincorporated island immediately before the incorporation of a community council municipality that includes the previously unincorporated island.
- (b) "Service provider" means a special district or other provider of municipal services who, before the incorporation of a community council municipality, provided service to the service area.
- (c) "Unincorporated island" means the same as that term is defined in Section 10-2-429.
- (2) An incorporation of a community council municipality does not affect the boundary of any service provider, subject to any future change in the boundary as provided by applicable law.
- (3) All roads and other utilities that before incorporation of a community council municipality were under the jurisdiction of the county in which the community council municipality is located become, upon incorporation, under the jurisdiction of the community council municipality.

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

10-2a-201.5. Qualifications for incorporation.

- (1) (a) An area may incorporate as a town in accordance with this part if the area:
- (i) (A) is contiguous; or
- (B) is a community council area;
- (ii) has a population of at least 100 people, but fewer than 1,000 people; and
- (iii) is not already part of a municipality.
- (b) An area may incorporate as a city in accordance with this part if the area:
- (i) (A) is contiguous; or
- (B) is a community council area;
- (ii) has a population of 1,000 people or more; and
- (iii) is not already part of a municipality.
- (2) (a) An area may not incorporate under this part if:

- (i) the area has a population of fewer than 100 people; or
- (ii) except as provided in Subsection (2)(b), the area has an average population density of fewer than seven people per square mile.
 - (b) Subsection (2)(a)(ii) does not prohibit incorporation of an area if:
- (i) noncompliance with Subsection (2)(a)(ii) is necessary to connect separate areas that share a demonstrable community interest; and
 - (ii) the area is contiguous.
- (3) An area incorporating under this part may not include land owned by the United States federal government unless:
- (a) the area, including the land owned by the United States federal government, is contiguous; and
- (b) (i) incorporating the land is necessary to connect separate areas that share a demonstrable community interest; or
- (ii) excluding the land from the incorporating area would create an unincorporated island within the proposed municipality.
- (4) (a) Except as provided in Subsection (4)(b), an area incorporating under this part may not include some or all of an area proposed for annexation in an annexation petition under Section 10-2-403 that:
- (i) was filed before the filing of the request for a feasibility study, described in Section 10-2a-202, relating to the incorporating area; and
- (ii) is still pending on the date the request for the feasibility study described in Subsection (4)(a)(i) is filed.
- (b) A feasibility request may propose for incorporation an area that includes some or all of an area proposed for annexation in an annexation petition described in Subsection (4)(a) if:
- (i) the proposed annexation area that is part of the area proposed for incorporation does not exceed 20% of the area proposed for incorporation;
- (ii) the feasibility request complies with Subsections 10-2a-202(1) through (4) with respect to excluding the proposed annexation area from the area proposed for incorporation; and
 - (iii) excluding the area proposed for annexation from the area proposed for

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

- (c) Except as provided in Section 10-2a-206, the lieutenant governor shall consider each feasibility request to which Subsection (4)(b) applies as not proposing the incorporation of an area proposed for annexation.
- (5) (a) An area incorporating under this part may not include part of a parcel of real property and exclude part of that same parcel unless the owner of the parcel gives written consent to exclude part of the parcel.
- (b) A piece of real property that has more than one parcel number is considered to be a single parcel for purposes of Subsection (5)(a) if owned by the same owner.

Section $\frac{8}{9}$. Section 10-2a-202 is amended to read:

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

- (1) The process to incorporate [a contiguous area of a county] an unincorporated area as a municipality is initiated by an individual filing a feasibility request, with the county clerk of the county where the area proposed to be incorporated is located, that includes:
 - (a) the signatures of the owners of private real property that:
 - (i) is located within the area proposed to be incorporated;
 - (ii) covers at least 10% of the total private land area within the area; and
- (iii) is, as of January 1 of the current year, equal in assessed fair market value to at least 7% of the assessed fair market value of all private real property within the area; and
- (b) the typed or printed name and current residence address of each owner signing the request.
 - (2) The feasibility request shall include:
- (a) a description of the [contiguous] unincorporated area proposed to be incorporated as a municipality;
- (b) a designation of up to five signers of the request as sponsors, one of whom is designated as the contact sponsor, with the mailing address and telephone number of each;
- (c) an accurate map or plat, prepared by a licensed surveyor, showing a legal description of the boundaries of the proposed municipality; and
- (d) a request that the lieutenant governor commission a study to determine the feasibility of incorporating the area as a municipality.
 - (3) The individual described in Subsection (1) shall, on the day on which the individual

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

- (a) written notice that the individual filed the feasibility request that indicates the day on which the individual filed the feasibility request; and
 - (b) a complete copy of the feasibility request.
- (4) A feasibility request may not propose for incorporation an area that includes some or all of an area that is the subject of a completed feasibility study or supplemental feasibility study whose results comply with Subsection 10-2a-205(5)(a) unless:
- (a) the proposed incorporation that is the subject of the completed feasibility study or supplemental feasibility study has been defeated by the voters at an election under Section 10-2a-210; or
- (b) the time described in Subsection 10-2a-208(1) for filing an incorporation petition based on the completed feasibility study or supplemental feasibility study has elapsed without the sponsors filing an incorporation petition under Section 10-2a-208.
- (5) Sponsors may not file a feasibility request relating to the incorporation of a town if the cumulative private real property that the sponsors own exceeds 40% of the total private land area within the boundaries of the proposed town.

Section $\frac{(9)}{10}$. Section 10-2a-204.5 is amended to read:

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

- (1) As used in this section:
- (a) "Owner" means a person having an interest in real property, including an affiliate, subsidiary, or parent company.
 - (b) "Specified landowner" means a record owner of real property:
 - (i) who owns more than:
- (A) 1% of the assessed fair market value, as of January 1 of the current year, of all property within the boundaries of a proposed incorporation; or
- (B) 10% of the total private land area within the boundaries of a proposed incorporation; or
 - (ii) located in a mining protection area as defined in Section 17-41-101.
- (2) Within 30 calendar days after the day of the first public hearing described in Section 10-2a-204.3:

- (a) a specified landowner may request that the county clerk exclude all or part of the land owned by the specified landowner from the area proposed for incorporation by filing a request for exclusion with the county clerk that describes the land for which the specified landowner requests exclusion; or
- (b) any owner of land located within the county where the area proposed for incorporation is located may file a request that all or part of that land be included in the area proposed for incorporation by filing a request for inclusion with the county clerk that describes the land that the landowner desires to include.
- (3) The county clerk shall exclude the land identified by a specified landowner under Subsection (2)(a) from the proposed incorporation boundaries unless the county clerk finds by clear and convincing evidence that:
- (a) except for a proposed incorporation of a community council area, the exclusion will leave an unincorporated island within the proposed municipality; and
- (b) the land receives from the county a majority of currently provided municipal services.
- (4) The county clerk shall include land identified by a landowner under Subsection (2)(b) in the area proposed for incorporation unless the county clerk finds by clear and convincing evidence that:
- (a) except for a proposed incorporation of a community council area, the land will not be contiguous with the area of the proposed municipality, taking into account other requests for inclusion or requests for exclusion received before the deadline described in Subsection (2); or
- (b) the inclusion will cause the area proposed for incorporation to violate a requirement for incorporation described in this part.
 - (5) The county clerk shall:
- (a) no earlier than 30 days after, but no later than 44 days after, the day of the first public hearing described in Section 10-2a-204.3, make a determination on all timely requests for exclusion or inclusion;
 - (b) forward to the lieutenant governor for review:
 - (i) all timely requests for exclusion or inclusion;
- (ii) the county clerk's determination on each of the requests described in Subsection (5)(b)(i); and

- (iii) the reasons, including the supporting data, for each determination described in Subsection (5)(b)(ii); and
- (c) within five days after the day on which the lieutenant governor makes a final determination on whether to include or exclude land under Subsection (7), the county clerk shall mail or transmit written notice of whether the land is included or excluded from the proposed incorporation boundaries to:
 - (i) for a request for exclusion, the specified landowner that requested the exclusion;
 - (ii) for a request for inclusion, the owner of land that requested the inclusion; and
 - (iii) the contact sponsor.
- (6) For a request for exclusion or inclusion that is denied, the county clerk shall include, in the written notice described in Subsection (5)(c), a detailed explanation of the reason for the denial and the facts supporting the denial.
- (7) Within 14 days after the day on which the lieutenant governor receives the information described in Subsection (5)(b) the lieutenant governor shall:
 - (a) review each determination;
 - (b) uphold or reverse each determination; and
 - (c) forward to the county clerk:
 - (i) the lieutenant governor's final determinations; and
- (ii) if the lieutenant governor reverses a determination of the county clerk, the reason for the reversal and the supporting facts.

Section $\{10\}$ 11. Section 10-2a-205 is amended to read:

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

- (1) Unless the lieutenant governor rescinds the certification under Subsection 10-2a-204(7)(b), the lieutenant governor shall, within 90 days after the day on which the lieutenant governor certifies a feasibility request under Subsection 10-2a-204(5)(a), in accordance with Subsection (2), engage a feasibility consultant to conduct a feasibility study.
 - (2) The lieutenant governor shall:
- (a) select a feasibility consultant in accordance with Title 63G, Chapter 6a, Utah Procurement Code;
 - (b) ensure that the feasibility consultant:

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

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

- (v) an analysis of the risks and opportunities that might affect the actual costs described in Subsection (3)(a)(iii) or revenues described in Subsection (3)(a)(iv) of the newly incorporated municipality;
- (vi) an analysis of new revenue sources that may be available to the newly incorporated municipality that are not available before the area incorporates, including an analysis of the amount of revenues the municipality might obtain from those revenue sources;
- (vii) the projected tax burden per household of any new taxes that may be levied within the proposed municipality within five years after incorporation;
- (viii) the fiscal impact of the municipality's incorporation on unincorporated areas, other municipalities, special districts, special service districts, and other governmental entities in the county; and
- (ix) if the county clerk excludes property from, or includes property in, the proposed municipality under Section 10-2a-204.5, an update to the map and legal description described in Subsection 10-2a-202(2)(c).
- (b) (i) In calculating the projected costs under Subsection (3)(a)(iii), the feasibility consultant shall $\{:$
- (A) with respect to municipal services that the proposed municipality will itself provide, assume { that} the proposed municipality will provide a level and quality of municipal services that fairly and reasonably approximate the level and quality of municipal services that are provided to the area of the proposed municipality at the time the feasibility consultant conducts the feasibility study {{}. {}.
- (B) evaluate and detail the expected cost savings and qualitative benefits of a service provider other than the proposed municipality providing some municipal services; and
- (C) incorporate into the overall cost projection for the proposed municipality the potential for municipal services to be provided by a service provider other than the proposed municipality.
- † (ii) In calculating the current cost of a municipal service under Subsection (3)(a)(iii), the feasibility consultant shall consider:
 - (A) the amount it would cost the proposed municipality to provide the municipal

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

- (B) the current municipal service provider's present and five-year projected cost of providing the municipal service.
- (iii) In calculating costs under Subsection (3)(a)(iii), the feasibility consultant shall account for inflation and anticipated growth.
- (c) In conducting the feasibility study, the feasibility consultant shall consult with the following before submitting a draft of the feasibility study under Subsection (2)(c)(i):
- (i) if the proposed municipality will include lands owned by the United States federal government, the entity within the United States federal government that has jurisdiction over the land;
- (ii) if the proposed municipality will include lands owned by the state, the entity within state government that has jurisdiction over the land;
- (iii) each entity that provides a municipal service to a portion of the proposed municipality; and
- (iv) each other special service district that provides services to a portion of the proposed municipality.
- (4) If the five-year projected revenues calculated under Subsection (3)(a)(iv) exceed the five-year projected costs calculated under Subsection (3)(a)(iii) by more than 5%, the feasibility consultant shall project and report the expected annual revenue surplus to the contact sponsor and the lieutenant governor.
- (5) (a) Except as provided in Subsection (5)(b), if the results of the feasibility study, or a supplemental feasibility study described in Section 10-2a-206, show that the average annual amount of revenue calculated under Subsection (3)(a)(iv) does not exceed the average annual cost calculated under Subsection (3)(a)(iii) by more than 5%, the process to incorporate the area that is the subject of the feasibility study or supplemental feasibility study may not proceed.
- (b) The process to incorporate an area described in Subsection (5)(a) may proceed if a subsequent supplemental feasibility study conducted under Section 10-2a-206 for the proposed incorporation demonstrates compliance with Subsection (5)(a).
- (6) If the results of the feasibility study or revised feasibility study do not comply with Subsection (5), and if requested by the sponsors of the request, the feasibility consultant shall,

as part of the feasibility study or revised feasibility study, make recommendations regarding how the boundaries of the proposed municipality may be altered to comply with Subsection (5).

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

Section $\frac{\{11\}}{12}$. Section $\frac{\{10-2a-210\}}{10-2a-205.5}$ is enacted to read:

<u>10-2a-205.5.</u> Additional feasibility consultant considerations -- Additional feasibility study requirements.

- (1) As used in this section:
- (a) "Applicable community council" means the community council that represents the community council area that is proposed to be incorporated.
- (b) "Request sponsors" means the sponsors of a feasibility request relating to the proposed incorporation of a community council area.
- (2) Subsections 10-2a-205(3)(a) and (b) do not apply to a feasibility study for a proposed incorporation of a community council area.
- (3) A feasibility consultant conducting a feasibility study for a proposed incorporation of a community council area shall consider:
 - (a) population and population density within the community council area;
- (b) current and five-year projections of demographics and economic base in the community council area, including household size and income, commercial and industrial development, and public facilities;
- (c) projected population growth in the community council area during the next five years;
- (d) subject to Subsection (4)(a), the present and five-year projections of the cost, including overhead, of providing the same or a similar service in the community council area as is provided by the municipal services district, including a comparison of:
 - (i) the estimated cost if the municipal services district continues to provide service;
- (ii) the estimated cost if the community council municipality provides service directly or through a contract with another service provider; and
 - (iii) the estimated cost if an unincorporated island within the community council area is

annexed under Section 10-2-429 and the annexing municipality provides service;

- (e) subject to Subsection (4)(a), evaluating the present and five-year projections of the cost, including overhead, of a municipal services district providing municipal services to the community council area, comparing those costs assuming that the community council area is included in the service area of the municipal services district with those costs assuming that the community council area is excluded from the service area of the municipal services district;
- (f) a projection of any new taxes per household that may be levied within the community council municipality within five years after incorporation;
- (g) the fiscal impact that the community council area's incorporation will have on other municipalities and unincorporated areas served by the municipal services district, including any rate increase that may become necessary to maintain required coverage ratios for the municipal services district's debt if, after incorporation:
- (i) the municipal services district continues to provide service to the community council area; or
- (ii) the community council area provides service directly or through contract with another service provider;
- (h) the physical and other assets that will be required by the municipal services district to provide, without interruption or diminution of service, the same or a similar service to the community council municipality upon incorporation;
- (i) the physical and other assets that will no longer be required by the municipal services district to continue to provide the current level of service to the remainder of the service area without the community council area if the community council area incorporates and provides services directly or through contract with another service provider;
- (j) the number and classification of municipal services district employees who will no longer be required to serve the remaining portions of the service area if a community council area provides service directly or through contract with another service provider upon incorporation, including the dollar amount of the wages, salaries, and benefits attributable to the employees and the estimated cost associated with termination of the employees if the community council municipality does not employ the employees;
- (k) if the community council municipality will provide service directly or through another service provider, the effects of maintaining as a base, for a period of three years, the

- existing schedule of pay and benefits for municipal services district employees who may be transferred to the employment of the community council municipality or to another service provider with which the community council municipality contracts for service; and
- (l) any other factor that the feasibility consultant considers relevant to the cost of providing municipal services as a result of a community council area's incorporation or the annexation of one or more unincorporated islands under Section 10-2-429.
 - (4) (a) For purposes of Subsections (3)(d) and (e):
- (i) the feasibility consultant shall assume a level and quality of service to be provided in the future to the community council municipality that fairly and reasonably approximates the level and quality of service that the municipal services district provides to the community council area at the time of the feasibility study;
- (ii) in determining the present-value cost of a service that the municipal services district provides, the feasibility consultant shall consider:
- (A) the cost to the community council municipality of providing the service for the first five years after incorporation;
- (B) the municipal services district's present and five-year projected cost of providing the same service to the community council area; and
- (C) the present and five-year projected cost of providing the same or a similar service to the community council area if service is provided by a municipality to which one or more unincorporated islands are annexed under Section 10-2-429;
- (D) evaluate and detail the expected cost savings and qualitative benefits that result from a service provider other than the proposed municipality providing some municipal services;
- (E) incorporate into the overall cost projection for the proposed municipality the potential for municipal services to be provided by a service provider other than the proposed municipality; and
- (F) evaluate and detail projected costs for municipal services based on the proposed municipality providing municipal services as compared to service providers other than the proposed municipality providing municipal services funded by those other service providers; and
 - (iii) the feasibility consultant shall consider inflation and anticipated population growth

in calculating the cost of providing service.

- (b) A feasibility consultant may not consider an allocation of municipal services district assets or a transfer of municipal services district employees to the extent that the allocation or transfer would impair the municipal services district's ability to continue to provide the current level of service to the remainder of the municipal services district's service area without the community council area, unless the municipal services district consents to the allocation or transfer.
- (5) (a) A feasibility consultant shall prepare a written report of the results of the feasibility study.
 - (b) A report under Subsection (5)(a) shall:
- (i) contain a recommendation as to whether the proposed incorporation of the community council area is functionally and financially feasible for the community council area;
- (ii) include any conditions the feasibility consultant determines are required to be satisfied to make the incorporation functionally and financially feasible; and
- (iii) compare the costs of incorporation to the costs of the unincorporated islands within the community council area being annexed under Section 10-2-429.
- (c) (i) Before finalizing a written report under this Subsection (5), the feasibility consultant shall provide a copy of a draft feasibility study report to the request sponsors and the county for their review and comments.
- (ii) Based on comments provided under Subsection (5)(c)(i), a feasibility consultant may adjust the draft feasibility study report before finalizing the report.
- (6) Upon completion of the feasibility study and preparation of a written report, the feasibility consultant shall deliver a copy of the report to:
 - (a) the applicable community council;
 - (b) the request sponsors;
- (c) the municipal services district that provides service to the community council area; and
 - (d) the county in which the community council area is located.
- (7) (a) (i) If the request sponsors or the county in which the community council area is located disagrees with any aspect of a feasibility study report or, if applicable, a feasibility study report modified under Subsection (7)(c), the request sponsors or county may, within 20

business days after receiving a copy of the report under Subsection (6) or a copy of a modified feasibility study report under Subsection (7)(c)(ii), submit to the feasibility consultant a written objection detailing the disagreement.

- (ii) Request sponsors who submit a written objection under Subsection (7)(a)(i) shall simultaneously deliver a copy of the objection to the county.
- (iii) A county that submits a written objection under Subsection (7)(a)(i) shall simultaneously deliver a copy of the objection to the request sponsors.
- (b) (i) The request sponsors or a county may, within 10 business days after receiving an objection under Subsection (7)(a)(i), submit to the feasibility consultant a written response to the objection.
- (ii) The request sponsors who submit a response under Subsection (7)(b)(i) shall simultaneously deliver a copy of the response to the county.
- (iii) A county that submits a response under Subsection (7)(b)(i) shall simultaneously deliver a copy of the response to the request sponsors.
- (c) If an objection is filed under Subsection (7)(a)(i), the feasibility consultant shall, within 20 business days after the expiration of the deadline under Subsection (7)(b)(i) for submitting a response to an objection:
 - (i) (A) modify the feasibility study report; or
- (B) explain in writing why the feasibility consultant is not modifying the feasibility study report; and
 - (ii) deliver the modified feasibility study report or written explanation to:
 - (A) the request sponsors;
- (B) the municipal services district that provides service to the community council area; and
 - (C) the county in which the community council area is located.
- (d) Within seven days after the expiration of the deadline under Subsection (7)(a)(i) for submitting an objection or, if an objection is submitted, within seven days after receiving a modified feasibility study report or written explanation under Subsection (7)(c), but at least 30 days before a public hearing under Subsection (9), the applicable community council shall:
- (i) make a copy of the report available to the public at the primary office of the applicable community council; and

- (ii) post a copy of the report on the website of the applicable community council, if the applicable community council has a website.
- (8) (a) A feasibility study report or, if a feasibility study report is modified under Subsection (7), a modified feasibility study report may not be challenged unless the basis of the challenge is that the report results from collusion or fraud.
- (b) Subsection (8)(a) does not apply to an objection to a feasibility study report or a modified feasibility study report under Subsection (7).
- (9) (a) Following the expiration of the deadline under Subsection (7)(a)(i) for submitting an objection, or, if an objection is submitted under Subsection (7)(a)(i), following the applicable community council's receipt of the modified feasibility study report or written explanation under Subsection (7)(c), the applicable community council shall, at the applicable community council's next regular meeting, schedule at least one public hearing to be held:
 - (i) within the following 60 days; and
 - (ii) for the purpose of allowing:
 - (A) the feasibility consultant to present the results of the feasibility study; and
- (B) the public to become informed about the feasibility study results, to ask the feasibility consultant questions about the feasibility study, and to express the public's views about the proposed incorporation of the community council area.
- (b) At a public hearing under Subsection (9)(a), the applicable community council shall:
 - (i) provide a copy of the feasibility study for public review; and
 - (ii) allow the public to:
 - (A) ask the feasibility consultant questions about the feasibility study; and
- (B) express the public's views about the advantages and disadvantages of the proposed incorporation as compared to a potential annexation under Section 10-2-429.
- (c) (i) The applicable community council shall publish notice of a hearing under Subsection (9)(a), as a class A notice under Section 63G-30-102, for three consecutive weeks immediately before the public hearing.
 - (ii) A notice under Subsection (9)(c)(i) shall state:
 - (A) the date, time, and location of the public hearing; and
 - (B) that a copy of the feasibility study report may be obtained, free of charge, at the

- office of the applicable community council or, if applicable, on the applicable community council's website.
- (10) A community council area may not incorporate if the feasibility study concludes that incorporation of the community council area is not functionally and financially feasible.
 - (11) Notwithstanding any other provision of this part:
- (a) the lieutenant governor shall pay the fees and costs of a feasibility consultant using funds from the Municipal Incorporation Expendable Special Revenue Fund under Section 10-2a-220; and
- (b) if the community council area incorporates as a municipality, the newly incorporated municipality shall pay incorporation costs to the lieutenant governor and county as provided in Section 10-2a-220.
- (12) Unless the request sponsors and county agree otherwise, conditions that a feasibility study report indicates are necessary to be met for the incorporation of the community council area to be functionally and financially feasible for the proposed community council municipality are binding on the community council municipality and county if the incorporation occurs.

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

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

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

incorporated, as a class B notice under Section 63G-30-102, for at least three weeks before the day of the election.

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

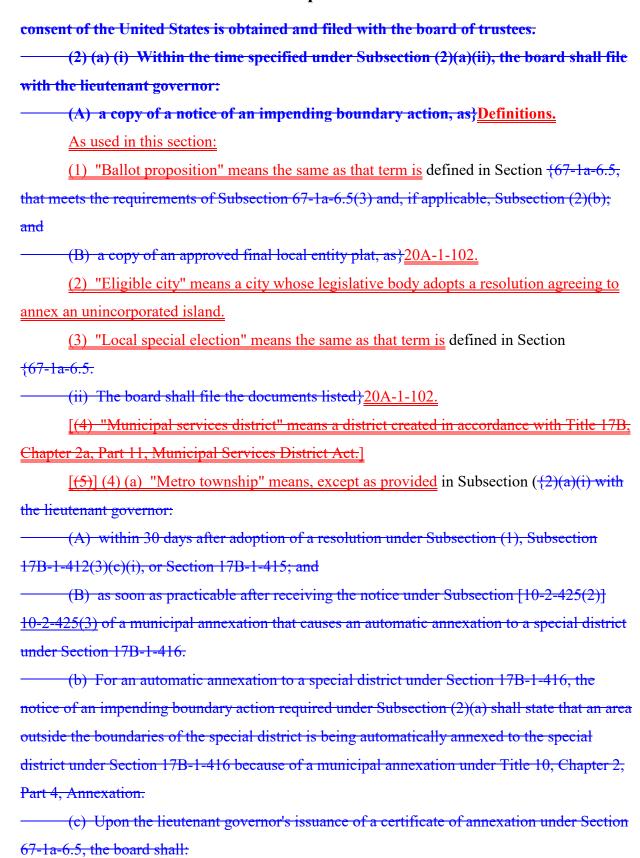
incorporate.

- (b) (i) As used in this Subsection (6)(b):
- (A) "Approving separate area" means a separate area in which a majority of those voting in an incorporation election for the incorporation of a community council area vote in favor of incorporation.
- (B) "Separate area" means an {area} unincorporated island, as defined in Section

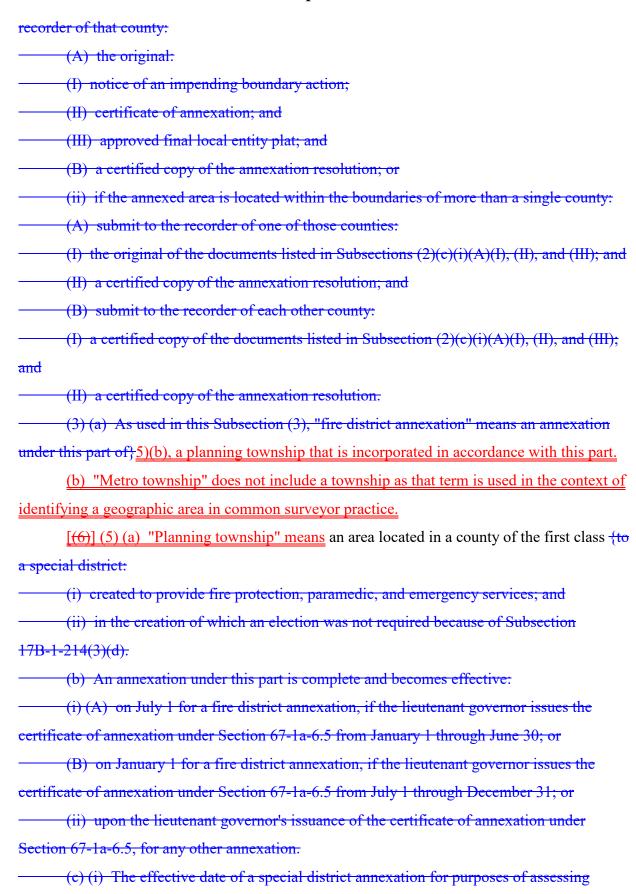
 10-2-429, that is within a community council area { that is divided from other areas within the community council area by areas within one or more municipalities}.
- (ii) If a majority of those within a separate area voting in an incorporation election for the incorporation of a community council area vote against incorporation, that separate area is excluded from the incorporation.
- (iii) Approving separate areas are incorporated as a municipality if the combined total population within all approving separate areas is at least 80% of the population within the community council area.

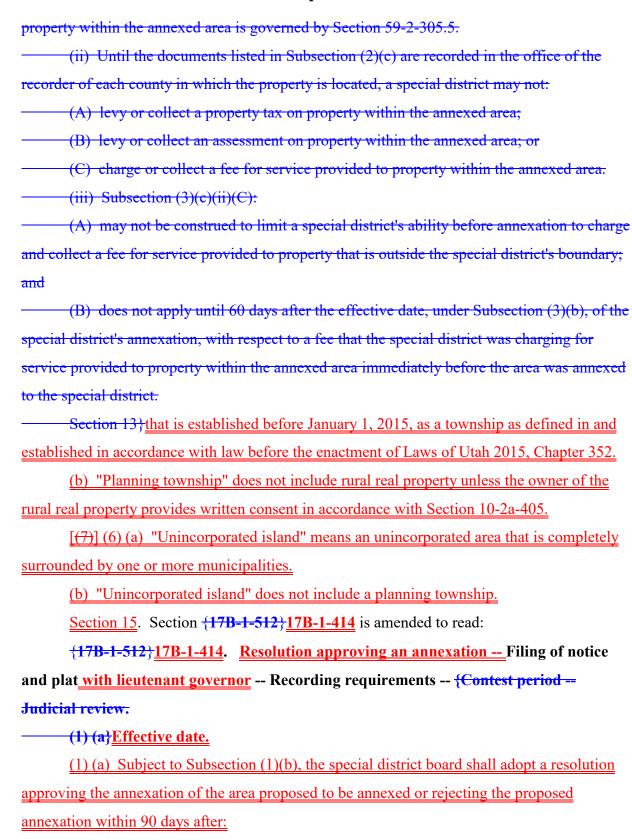
Section $\frac{\{12\}}{14}$. Section $\frac{\{17B-1-414\}}{10-2a-403}$ is amended to read:

- {17B-1-414} 10-2a-403. {Resolution approving an annexation -- Filing of notice and plat with lieutenant governor -- Recording requirements -- Effective date.
- (1) (a) Subject to Subsection (1)(b), the special district board shall adopt a resolution approving the annexation of the area proposed to be annexed or rejecting the proposed annexation within 90 days after:
- (i) expiration of the protest period under Subsection 17B-1-412(2), if sufficient protests to require an election are not filed;
- (ii) for a petition that meets the requirements of Subsection 17B-1-413(1):
- (A) a public hearing under Section 17B-1-409 is held, if the board chooses or is required to hold a public hearing under Subsection 17B-1-413(2)(a)(ii); or
- (B) expiration of the time for submitting a request for public hearing under Subsection 17B-1-413(2)(a)(ii)(B), if no request is submitted and the board chooses not to hold a public hearing.
- (b) If the special district has entered into an agreement with the United States that requires the consent of the United States for an annexation of territory to the district, a resolution approving annexation under this part may not be adopted until the written



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





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

- (ii) for a petition that meets the requirements of Subsection 17B-1-413(1):
- (A) a public hearing under Section 17B-1-409 is held, if the board chooses or is required to hold a public hearing under Subsection 17B-1-413(2)(a)(ii); or
- (B) expiration of the time for submitting a request for public hearing under Subsection 17B-1-413(2)(a)(ii)(B), if no request is submitted and the board chooses not to hold a public hearing.
- (b) If the special district has entered into an agreement with the United States that requires the consent of the United States for an annexation of territory to the district, a resolution approving annexation under this part may not be adopted until the written consent of the United States is obtained and filed with the board of trustees.
- (2) (a) (i) Within the time specified $\{in\}$ under Subsection $(\{1\}2)$ ($\{b\}a$)(ii), the board $\{in\}$ shall file with the lieutenant governor:
- ({i) A}) a copy of a notice of an impending boundary action, as defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3) and, if applicable, Subsection (2)(b); and
 - (\frac{\finte}{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac}{\frac{\frac{\frac{\frac{\frac{\frac{\frac}{\frac{\fir}}}{\firac{\fired{\frac{\frac}}}}{\firac{\frac{\frac{\frac{\frac{\fir}}}}{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\f{\frac}}}}{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{
- $(\{b\}\underline{i})$ The board $\{of trustees\}$ shall file the documents listed in Subsection $(\{1\}\underline{2})(a)\underline{(i)}$ with the lieutenant governor:
- $(\{i\}\underline{A})$ within $\{10\}\underline{30}$ days after $\{adopting \ a \ resolution \ approving \ a \ withdrawal \ under \ Section 17B-1-510;$
- (ii) on or before January 31 of the year following the board of trustees' receipt of a notice or copy described in Subsection (1)(c), if the board of trustees receives the notice or copy between July 1 and December 31; or
- (iii) on or before the July 31 following the board of trustees' receipt of a notice or copy described in Subsection (1)(c), if the board of trustees receives the notice or copy between January 1 and June 30.
- (c) The board of trustees shall comply with the requirements described in Subsection (1)(b)(ii) or (iii) after:
- (i) receiving:
- (A) a) adoption of a resolution under Subsection (1), Subsection 17B-1-412(3)(c)(i), or Section 17B-1-415; and

- (B) as soon as practicable after receiving the notice under Subsection [10-2-425(2)] 10-2-425(3) of {an automatic withdrawal under Subsection 17B-1-502(2);
- (B) a copy of the a municipal {legislative body's resolution approving an automatic withdrawal under Subsection 17B-1-502(3)(a); or
- (C) notice of a withdrawal of a municipality from annexation to a special district under Section {17B-1-502; or}
 - (ii) entering into an agreement with a municipality \\ \frac{17B-1-416.}{}
- (b) For an automatic annexation to a special district under Section 17B-1-416, the notice of an impending boundary action required under Subsection {17B-1-505(5)(a)(ii)(A) or (5)(b).
- (d)(2)(a) shall state that an area outside the boundaries of the special district is being automatically annexed to the special district under Section 17B-1-416 because of a municipal annexation under Title 10, Chapter 2, Part 4, Annexation.
- (c) Upon the lieutenant governor's issuance of a certificate of {withdrawal}annexation under Section 67-1a-6.5, the board shall:
- (i) if the {withdrawn} annexed area is located within the boundary of a single county, submit to the recorder of that county:
 - (A) the original:
 - (I) notice of an impending boundary action;
 - (II) certificate of {withdrawal}annexation; and
 - (III) approved final local entity plat; and
- (B) {if applicable, }a certified copy of the annexation resolution { or notice referred to in Subsection (1)(b)}; or
- (ii) if the {withdrawn} annexed area is located within the boundaries of more than a single county:
 - (A) submit to the recorder of one of those counties:
 - (I) the original of the documents listed in Subsections (2)(c)(i)(A)(I), (II), and (III); and
 - (II) a certified copy of the annexation resolution; and
 - (B) submit to the recorder of each other county:
 - (I) a certified copy of the documents listed in Subsection (2)(c)(i)(A)(I), (II), and (III);

and

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

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

<u>17B-1-512.</u> Filing of notice and plat -- Recording requirements -- Contest period -- Judicial review.

- (1) (a) Within the time specified in Subsection (1)(b), the board of trustees shall file with the lieutenant governor:
- (i) a copy of a notice of an impending boundary action, as defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and
 - (ii) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5.
 - (b) The board of trustees shall file the documents listed in Subsection (1)(a):
- (i) within 10 days after adopting a resolution approving a withdrawal under Section 17B-1-510;
- (ii) on or before January 31 of the year following the board of trustees' receipt of a notice or copy described in Subsection (1)(c), if the board of trustees receives the notice or copy between July 1 and December 31; or
- (iii) on or before the July 31 following the board of trustees' receipt of a notice or copy described in Subsection (1)(c), if the board of trustees receives the notice or copy between January 1 and June 30.
- (c) The board of trustees shall comply with the requirements described in Subsection (1)(b)(ii) or (iii) after:
 - (i) receiving:
- (A) a notice under Subsection [10-2-425(2)] 10-2-425(3) of an automatic withdrawal under Subsection 17B-1-502(2);
- (B) a copy of the municipal legislative body's resolution approving an automatic withdrawal under Subsection 17B-1-502(3)(a); or
- (C) notice of a withdrawal of a municipality from a special district under Section 17B-1-502; or
- (ii) entering into an agreement with a municipality under Subsection 17B-1-505(5)(a)(ii)(A) or (5)(b).
- (d) Upon the lieutenant governor's issuance of a certificate of withdrawal under Section 67-1a-6.5, the board shall:
- (i) if the withdrawn area is located within the boundary of a single county, submit to the recorder of that county:
 - (A) the original:
 - (I) notice of an impending boundary action;

- (II) certificate of withdrawal; and
- (III) approved final local entity plat; and
- (B) if applicable, a certified copy of the resolution or notice referred to in Subsection (1)(b); or
- (ii) if the withdrawn area is located within the boundaries of more than a single county, submit:
- (A) the original of the documents listed in Subsections (1)(d)(i)(A)(I), (II), and (III) and, if applicable, a certified copy of the resolution or notice referred to in Subsection (1)(b) to one of those counties; and
- (B) a certified copy of the documents listed in Subsections (1)(d)(i)(A)(I), (II), and (III) and a certified copy of the resolution or notice referred to in Subsection (1)(b) to each other county.
- (2) (a) Upon the lieutenant governor's issuance of the certificate of withdrawal under Section 67-1a-6.5 for a withdrawal under Section 17B-1-510, for an automatic withdrawal under Subsection 17B-1-502(3), or for the withdrawal of a municipality from a special district under Section 17B-1-505, the withdrawal shall be effective, subject to the conditions of the withdrawal resolution, if applicable.
- (b) An automatic withdrawal under Subsection 17B-1-502(3) shall be effective upon the lieutenant governor's issuance of a certificate of withdrawal under Section 67-1a-6.5.
- (3) (a) The special district may provide for the publication of any resolution approving or denying the withdrawal of an area:
 - (i) in a newspaper of general circulation in the area proposed for withdrawal; and
 - (ii) as required in Section 45-1-101.
- (b) In lieu of publishing the entire resolution, the special district may publish a notice of withdrawal or denial of withdrawal, containing:
 - (i) the name of the special district;
 - (ii) a description of the area proposed for withdrawal;
- (iii) a brief explanation of the grounds on which the board of trustees determined to approve or deny the withdrawal; and
- (iv) the times and place where a copy of the resolution may be examined, which shall be at the place of business of the special district, identified in the notice, during regular

business hours of the special district as described in the notice and for a period of at least 30 days after the publication of the notice.

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

this part.

- (d) A court may award costs and expenses of an action under this section, including reasonable attorney fees, to the prevailing party.
- (7) After the applicable contest period under Subsection (4) or (6), no person may contest the board of trustees' approval or denial of withdrawal for any cause.

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

<u>17B-2a-1106.</u> Municipal services district board of trustees -- Governance.

- (1) Notwithstanding any other provision of law regarding the membership of a special district board of trustees, the initial board of trustees of a municipal services district shall consist of the county legislative body.
- (2) (a) If, after the initial creation of a municipal services district, an area within the district is incorporated as a municipality as defined in Section 10-1-104 and the area is not withdrawn from the district in accordance with Section 17B-1-502 or 17B-1-505, or an area within the municipality is annexed into the municipal services district in accordance with Section 17B-2a-1103, the district's board of trustees shall be as follows:
 - (i) subject to Subsection (2)(b), a member of that municipality's governing body;
- (ii) one member of the county council of the county in which the municipal services district is located; and
 - (iii) the total number of board members is not required to be an odd number.
 - (b) A member described in Subsection (2)(a)(i) shall be:
- (i) for a municipality other than a metro township, designated by the municipal legislative body; and
- (ii) for a metro township, the mayor of the metro township or, during any period of time when the mayor is absent, unable, or refuses to act, the mayor pro tempore that the metro township council elects in accordance with Subsection 10-3b-503(4).
 - (3) (a) As used in this Subsection (3):
 - (i) "District participant" means:
 - (A) the county that created a municipal services district under Section 17B-2a-1105; or
 - (B) a municipality that is part of the municipal services district.
- (ii) "Proportionate amount" means, for each district participant, the amount that is attributable to the district participant in proportion to the total amount attributable to all district

participants.

- (iii) "Trigger date" means the earliest of:
- (A) the effective date of an annexation of an unincorporated island, as defined in Section 10-2-429, that occurs under Title 10, Chapter 2, Part 4, Annexation, excluding an automatic annexation under Section 10-2-429;
- (B) the effective date of an incorporation of a community council area, as defined in Section 10-2a-102; and
 - (C) the effective date of an automatic annexation under Section 10-2-429.
- (b) For a board of trustees described in Subsection (2), each board member's vote is weighted:
- (i) until the trigger date, using the proportion of the municipal services district population that resides:
- [(a)] (A) for each member described in Subsection (2)(a)(i), within that member's municipality; and
- [(b)] (B) for the member described in Subsection (2)(a)(ii), within the unincorporated county[:]; and
 - (ii) beginning the trigger date:
- (A) 60% according to the proportionate amount of the combined total of sales tax revenue and revenue for B and C roads under Section 72-2-108;
- (B) 30% according to the proportionate amount of weighted mileage, as defined in Section 72-2-108; and
 - (C) 10% according to the proportionate amount of population.
- (4) The board may adopt a resolution providing for future board members to be appointed, as provided in Section 17B-1-304, or elected, as provided in Section 17B-1-306.
- (5) Notwithstanding Subsections 17B-1-309(1) or 17B-1-310(1), the board of trustees may adopt a resolution to determine the internal governance of the board.
- (6) The municipal services district and the county may enter into an agreement for the provision of legal services to the municipal services district.

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

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

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

- (2) On July 1, 2028:
- (a) Subsection 10-2a-205(2)(b)(iii) is repealed; and
- (b) Section 10-2a-205.5 is repealed.

Section $\{14\}$ 19. Effective date.

- (1) Except as provided in Subsection (2), this bill takes effect on May 1, 2024.
- (2) The actions affecting Section 10-2-425 (Effective 07/01/24) take effect on July 1,

<u>2024.</u>