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municipality;

MUNICIPAL INCORPORATION AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Curtis S. Bramble** 

House Sponsor: James A. Dunnigan

► addresses the powers of, and limitations on, a preliminary municipality;



26	<ul> <li>requires for the transition of a preliminary municipality to a town when the</li> </ul>
27	population of the preliminary municipality reaches a certain level;
28	<ul> <li>describes the requirements and procedures for transitioning a preliminary</li> </ul>
29	municipality into a town;
30	<ul> <li>provides for the election of officers for the future town;</li> </ul>
31	<ul><li>provides a sunset date; and</li></ul>
32	<ul> <li>makes technical and conforming changes.</li> </ul>
33	Money Appropriated in this Bill:
34	None
35	Other Special Clauses:
36	None
37	<b>Utah Code Sections Affected:</b>
38	AMENDS:
39	10-1-104, as last amended by Laws of Utah 2015, Chapter 352
40	10-2a-201.5, as last amended by Laws of Utah 2023, Chapter 224
41	10-2a-202, as last amended by Laws of Utah 2023, Chapter 224
42	63I-1-210, as last amended by Laws of Utah 2022, Chapter 274
43	ENACTS:
44	10-2a-501, Utah Code Annotated 1953
45	10-2a-502, Utah Code Annotated 1953
46	10-2a-503, Utah Code Annotated 1953
47	10-2a-504, Utah Code Annotated 1953
48	10-2a-505, Utah Code Annotated 1953
49	10-2a-506, Utah Code Annotated 1953
50	10-2a-507, Utah Code Annotated 1953
51	10-2a-508, Utah Code Annotated 1953
52	10-2a-509, Utah Code Annotated 1953
53	10-2a-510, Utah Code Annotated 1953
54	

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

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Section 1. Section **10-1-104** is amended to read:

57	10-1-104. Definitions.
58	As used in this title:
59	(1) "City" means a municipality that is classified by population as a city of the first
60	class, a city of the second class, a city of the third class, a city of the fourth class, or a city of
61	the fifth class, under Section 10-2-301.
62	(2) "Contiguous" means:
63	(a) if used to described an area, continuous, uninterrupted, and without an island of
64	territory not included as part of the area; and
65	(b) if used to describe an area's relationship to another area, sharing a common
66	boundary.
67	(3) "Governing body" means collectively the legislative body and the executive of any
68	municipality. Unless otherwise provided:
69	(a) in a city of the first or second class, the governing body is the city commission;
70	(b) in a city of the third, fourth, or fifth class, the governing body is the city council;
71	(c) in a town, the governing body is the town council; and
72	(d) in a metro township, the governing body is the metro township council.
73	(4) "Municipal" means of or relating to a municipality.
74	(5) "Municipality" means:
75	(a) a city of the first class, city of the second class, city of the third class, city of the
76	fourth class, city of the fifth class;
77	(b) a town, as classified in Section 10-2-301; [or]
78	(c) a metro township as that term is defined in Section 10-2a-403 unless the term is
79	used in the context of authorizing, governing, or otherwise regulating the provision of
80	municipal services[-]; or
81	(d) a preliminary municipality incorporated under Chapter 2a, Part 5, Incorporation of a
82	Preliminary Municipality.
83	(6) "Peninsula," when used to describe an unincorporated area, means an area
84	surrounded on more than 1/2 of its boundary distance, but not completely, by incorporated
85	territory and situated so that the length of a line drawn across the unincorporated area from an
86	incorporated area to an incorporated area on the opposite side shall be less than 25% of the
87	total aggregate boundaries of the unincorporated area.

88	(7) "Person" means an individual, corporation, partnership, organization, association,
89	trust, governmental agency, or any other legal entity.
90	(8) "Provisions of law" shall include other statutes of the state of Utah and ordinances,
91	rules, and regulations properly adopted by any municipality unless the construction is clearly
92	contrary to the intent of state law.
93	(9) "Recorder," unless clearly inapplicable, includes and applies to a town clerk.
94	(10) "Town" means a municipality classified by population as a town under Section
95	10-2-301.
96	(11) "Unincorporated" means not within a municipality.
97	Section 2. Section 10-2a-201.5 is amended to read:
98	10-2a-201.5. Qualifications for incorporation.
99	(1) (a) An area may incorporate as a town in accordance with this part if the area:
100	(i) is contiguous;
101	(ii) has a population of at least 100 people, but fewer than 1,000 people; and
102	(iii) is not already part of a municipality.
103	(b) A preliminary municipality may transition to, and incorporate as, a town, in
104	accordance with Section 10-2a-510.
105	[(b)] (c) An area may incorporate as a city in accordance with this part if the area:
106	(i) is contiguous;
107	(ii) has a population of 1,000 people or more; and
108	(iii) is not already part of a municipality.
109	(2) (a) An area may not incorporate under this part if:
110	(i) the area has a population of fewer than 100 people; or
111	(ii) except as provided in Subsection (2)(b), the area has an average population density
112	of fewer than seven people per square mile.
113	(b) Subsection (2)(a)(ii) does not prohibit incorporation of an area if:
114	(i) noncompliance with Subsection (2)(a)(ii) is necessary to connect separate areas that
115	share a demonstrable community interest; and
116	(ii) the area is contiguous.
117	(3) An area incorporating under this part may not include land owned by the United
118	States federal government unless:

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119 (a) the area, including the land owned by the United States federal government, is 120 contiguous; and 121 (b) (i) incorporating the land is necessary to connect separate areas that share a 122 demonstrable community interest; or 123 (ii) excluding the land from the incorporating area would create an unincorporated 124 island within the proposed municipality. 125 (4) (a) Except as provided in Subsection (4)(b), an area incorporating under this part 126 may not include some or all of an area proposed for annexation in an annexation petition under 127 Section 10-2-403 that: (i) was filed before the filing of the request for a feasibility study, described in Section 128 129 10-2a-202, relating to the incorporating area; and 130 (ii) is still pending on the date the request for the feasibility study described in 131 Subsection (4)(a)(i) is filed. 132 (b) A feasibility request may propose for incorporation an area that includes some or 133 all of an area proposed for annexation in an annexation petition described in Subsection (4)(a) 134 if: 135 (i) the proposed annexation area that is part of the area proposed for incorporation does 136 not exceed 20% of the area proposed for incorporation; 137 (ii) the feasibility request complies with Subsections 10-2a-202(1) through (4) with 138 respect to excluding the proposed annexation area from the area proposed for incorporation; 139 and 140 (iii) excluding the area proposed for annexation from the area proposed for 141 incorporation would not cause the area proposed for incorporation to not be contiguous. 142 (c) Except as provided in Section 10-2a-206, the lieutenant governor shall consider 143 each feasibility request to which Subsection (4)(b) applies as not proposing the incorporation of 144 an area proposed for annexation. 145 (5) (a) An area incorporating under this part may not include part of a parcel of real 146 property and exclude part of that same parcel unless the owner of the parcel gives written 147 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.

150	Section 3. Section 10-2a-202 is amended to read:
151	10-2a-202. Feasibility request Requirements Limitations.
152	(1) The process to incorporate a contiguous area of a county as a municipality is
153	initiated by an individual filing a feasibility request, with the county clerk of the county where
154	the area proposed to be incorporated is located, that includes:
155	(a) the signatures of the owners of private real property that:
156	(i) is located within the area proposed to be incorporated;
157	(ii) covers at least 10% of the total private land area within the area; and
158	(iii) is, as of January 1 of the current year, equal in assessed fair market value to at least
159	7% of the assessed fair market value of all private real property within the area; and
160	(b) the typed or printed name and current residence address of each owner signing the
161	request.
162	(2) The feasibility request shall include:
163	(a) a description of the contiguous area proposed to be incorporated as a municipality;
164	(b) a designation of up to five signers of the request as sponsors, one of whom is
165	designated as the contact sponsor, with the mailing address and telephone number of each;
166	(c) an accurate map or plat, prepared by a licensed surveyor, showing a legal
167	description of the boundaries of the proposed municipality; and
168	(d) a request that the lieutenant governor commission a study to determine the
169	feasibility of incorporating the area as a municipality.
170	(3) The individual described in Subsection (1) shall, on the day on which the individual
171	files the feasibility request with the county clerk, provide to the lieutenant governor:
172	(a) written notice that the individual filed the feasibility request that indicates the day
173	on which the individual filed the feasibility request; and
174	(b) a complete copy of the feasibility request.
175	(4) A feasibility request may not propose for incorporation an area that includes [some
176	or] all or part of an area that is the subject of a completed feasibility study or supplemental
177	feasibility study whose results comply with Subsection 10-2a-205(5)(a) unless:
178	(a) the proposed incorporation that is the subject of the completed feasibility study or
179	supplemental feasibility study has been defeated by the voters at an election under Section
180	10-2a-210; or

181	(b) the time described in Subsection 10-2a-208(1) for filing an incorporation petition
182	based on the completed feasibility study or supplemental feasibility study has elapsed without
183	the sponsors filing an incorporation petition under Section 10-2a-208.
184	(5) A feasibility request may not propose for incorporation an area that includes all or
185	part of an area that is the subject of a completed feasibility study or supplemental feasibility
186	study whose results comply with Subsection 10-2a-504(4), unless the time described in
187	Subsection 10-2a-507(1) for filing a petition for incorporation based on the completed
188	feasibility study or supplemental feasibility study has elapsed without the sponsors filing a
189	petition for incorporation under Section 10-2a-507.
190	[(5)] (6) Sponsors may not file a feasibility request relating to the incorporation of a
191	town if the cumulative private real property that the sponsors own exceeds 40% of the total
192	private land area within the boundaries of the proposed town.
193	Section 4. Section 10-2a-501 is enacted to read:
194	Part 5. Incorporation of a Preliminary Muncipality
195	<u>10-2a-501.</u> Definitions.
196	As used in this part:
197	(1) "Affordable housing" means housing occupied or reserved for occupancy by
198	households with a gross household income equal to or less than 80% of the median gross
199	income of the applicable municipal or county statistical area for households of the same size.
200	(2) "Board," in relation to a preliminary municipality, means the same as a council
201	described in Section 10-3b-402.
202	(3) "Board chair," in relation to a preliminary municipality, means the same as a mayor
203	described in Section 10-3b-402.
204	(4) "Contiguous" means the same as that term is defined in Section 10-2a-102.
205	(5) "Feasibility consultant" means a person or firm:
206	(a) with expertise in the processes and economics of local government; and
207	(b) who is independent of, and not affiliated with, a county or a sponsor of a petition to
208	incorporate a preliminary municipality under this part.
209	(6) "Feasibility request" means a request, described in Section 10-2a-502, for a
210	feasibility study for the proposed incorporation of a preliminary municipality.
211	(7) "Initial landowners" means the persons who owned the land within the proposed

212	preliminary municipality area when the person filed the feasibility request under Section
213	<u>20A-1-501.</u>
214	(8) "Municipal service" means the same as that term is defined in Section 10-2a-102.
215	(9) "Pending annexation area" means an area proposed for annexation in an annexation
216	petition described in Section 10-2-403 that is filed before, and is still pending when, a person
217	files the applicable request for a feasibility study under Section 10-2a-502.
218	(10) "Primary sponsor contact" means:
219	(a) in relation to a feasibility request:
220	(i) the individual designated as the primary sponsor contact for a feasibility request
221	under Subsection 10-2a-502(5)(c); or
222	(ii) an individual designated, in writing, by the initial landowners if a replacement
223	primary sponsor contact is needed; or
224	(b) in relation to a petition for incorporation of a preliminary municipality:
225	(i) the individual designated as the primary sponsor contact for a petition for
226	incorporation of a preliminary municipality under Subsection 10-2a-507(1)(d); or
227	(ii) an individual designated, in writing, by the initial landowners if a replacement
228	primary sponsor contact is needed.
229	(11) "Private," in relation to real property, means taxable real property.
230	(12) "Proposed preliminary municipality area" means the area proposed for
231	incorporation as a preliminary municipality in a feasibility request.
232	(13) "System infrastructure" means, as shown on the map or plat described in
233	Subsection 10-2a-502(5)(e) for the proposed preliminary municipal area:
234	(a) the main thoroughfares within the proposed preliminary municipal area, including
235	the roads that connect the proposed preliminary municipal area to an existing road outside the
236	proposed preliminary municipal area; and
237	(b) the main lines that will connect a utility to the proposed preliminary municipal area
238	including the stubs that will connect the main lines to the development in the proposed
239	preliminary municipal area.
240	Section 5. Section 10-2a-502 is enacted to read:
241	10-2a-502. Incorporation of a preliminary municipality Feasibility request
242	Requirements.

243	(1) A person may apply to incorporate an area as a preliminary municipality by filing a
244	feasibility request in accordance with this section.
245	(2) Subject to Subsection (6), a person may file a feasibility request in relation to an
246	area that the person seeks to incorporate as a preliminary municipality if:
247	(a) the area is contiguous;
248	(b) no part of the area is within a county of the first class or second class;
249	(c) no part of the area is within, or within .25 miles of, a municipality;
250	(d) on the day on which the person files the feasibility request:
251	(i) the area is owned by no more than three persons, all of whom consent to
252	incorporation as a preliminary municipality; and
253	(ii) at least 50% of the area is undeveloped;
254	(e) the persons who sign the feasibility request intend to develop the area to the point
255	that:
256	(i) at least 100 individuals reside in the area;
257	(ii) the area will have an average population density of no less than seven individuals
258	per square mile, unless:
259	(A) a population density of less than seven individuals per square mile is necessary in
260	order to connect separate areas that share a demonstrable community interest; and
261	(B) the average population of the area has a population density of no less than seven
262	individuals per square mile if the land necessary to connect the separate areas described in
263	Subsection (2)(e)(ii)(A) is not included in the calculation; and
264	(iii) at least 10% of the housing in the preliminary municipality is affordable housing;
265	(f) the area does not include land owned by the United States government unless:
266	(i) the area, including the land owned by the United States government, is contiguous;
267	<u>and</u>
268	(ii) (A) incorporating the land is necessary to connect separate areas that share a
269	demonstrable community interest; or
270	(B) excluding the land from the area would create an unincorporated island within the
271	proposed preliminary municipality;
272	(g) the area is entirely within one county; and
273	(h) the feasibility request complies with Subsection (3).

274	(3) (a) A proposed preliminary municipality area may not include all or part of a
275	pending annexation area, unless:
276	(i) the portion of the pending annexation area included in the proposed preliminary
277	municipality area does not exceed 20% of the proposed preliminary municipality area; and
278	(ii) the feasibility request would comply with the requirements of this section
279	regardless of whether the portion of the pending annexation area included in the proposed
280	preliminary municipality area is excluded from, or remains included in, the proposed
281	preliminary municipality area.
282	(b) A proposed preliminary municipality area may not include all or part of an area that
283	is the subject of a completed feasibility study or supplemental feasibility study that qualifies to
284	proceed under Subsection 10-2a-205(5)(a), unless:
285	(i) the proposed incorporation that is the subject of the completed feasibility study or
286	supplemental feasibility study has been defeated by the voters at an election under Section
287	<u>10-2a-210; or</u>
288	(ii) the time described in Subsection 10-2a-208(1) for filing an incorporation petition
289	based on the completed feasibility study or supplemental feasibility study has elapsed without
290	the sponsors filing an incorporation petition under Section 10-2a-208.
291	(c) A proposed preliminary municipality area may not include all or part of an area that
292	is the subject of a completed feasibility study or supplemental feasibility study whose results
293	comply with Subsection 10-2a-504(4), unless the time described in Subsection 10-2a-507(1)
294	for filing a petition for incorporation based on the completed feasibility study or supplemental
295	feasibility study has elapsed without the sponsors filing a petition for incorporation under
296	Section 10-2a-507.
297	(4) Except as provided in Section 10-2a-505, the lieutenant governor shall consider
298	each feasibility request that includes an area described in Subsection (3)(a) as if the request
299	does not include the area described in Subsection (3)(a).
300	(5) A person who files a feasibility request under this section shall file the feasibility
301	request with the lieutenant governor, including in the feasibility request:
302	(a) the signatures of all owners of real property included in proposed preliminary
303	municipality area, showing that the owners consent to including the real property in the
304	proposed preliminary municipality area;

305	(b) the name, address, and phone number of each owner signing the feasibility request;
306	(c) a designation of one individual who signs the feasibility request as the primary
307	sponsor contact for the feasibility request;
308	(d) a description of the proposed preliminary municipality area;
309	(e) an accurate map or plat, prepared by a licensed surveyor, showing:
310	(i) a legal description of the boundaries of the proposed preliminary municipality area
311	and each phase of the proposed preliminary municipality area;
312	(ii) all development planned for the proposed preliminary municipality area; and
313	(iii) that the first phase of the proposed preliminary municipality area is projected to
314	have at least 100 residents when completed; and
315	(f) a request that the lieutenant governor commission a study to determine the
316	feasibility of incorporating the area as a preliminary municipality.
317	(6) (a) The provisions of this part, providing for the incorporation of a preliminary
318	municipality, is a pilot project that ends on January 1, 2031.
319	(b) Except as provided in Subsection (7), a person may not file a feasibility request
320	under this part in a calendar year during which two or more requests have already been filed in
321	the state.
322	(7) A feasibility request does not count towards the limit described in Subsection (6)(b)
323	<u>if:</u>
324	(a) the sponsors who file the request withdraw the request;
325	(b) the lieutenant governor rejects the feasibility request under Subsection
326	<u>10-2a-503(4)</u> or (5)(b), and the sponsors:
327	(i) do not timely amend the feasibility request under Subsection 10-2a-503(7)(b); or
328	(ii) are prohibited from amending the feasibility request under Subsection
329	<u>10-2a-503(7)(c); or</u>
330	(c) the process to incorporate is prohibited from proceeding under Subsection
331	10-2a-504(5)(a) and the sponsors:
332	(i) do not timely file a modified feasibility request under Subsection
333	<u>10-2a-505(1)(b)(i); or</u>
334	(ii) are prohibited from filing a modified feasibility request under Subsection
335	<u>10-2a-505(3).</u>

336	Section 6. Section 10-2a-503 is enacted to read:
337	10-2a-503. Processing a feasibility request Certification or rejection
338	Processing priority Determination by the Utah Population Committee.
339	(1) Within 45 days after the day on which an individual files a feasibility request under
340	Section 10-2a-502, the lieutenant governor shall:
341	(a) determine whether the feasibility request complies with Section 10-2a-502; and
342	(b) notify the clerk of the county where the proposed preliminary municipality area is
343	located, in writing, of the determination made under Subsection (1)(a) and the grounds for the
344	determination.
345	(2) A county clerk shall comply with a request by the lieutenant governor to provide
346	information or a record to the lieutenant governor or to a sponsor of the feasibility request, to
347	assist in complying with this part, within five calendar days after the day on which the
348	lieutenant governor makes the request.
349	(3) If the lieutenant governor determines that the feasibility request complies with
350	Section 10-2a-502, the lieutenant governor shall:
351	(a) certify the feasibility request; and
352	(b) transmit written notification of the certification to the primary sponsor contact, the
353	county clerk, and the Utah Population Committee.
354	(4) If the lieutenant governor determines that the feasibility request fails to comply
355	with Section 10-2a-502, the lieutenant governor shall reject the feasibility request and notify
356	the primary sponsor contact and the county clerk, in writing, of the rejection and the grounds
357	for the rejection.
358	(5) (a) Within 20 days after the day on which the lieutenant governor transmits written
359	notification under Subsection (3)(b), the Utah Population Committee shall:
360	(i) determine whether, based on the map or plat described in Subsection
361	10-2a-502(5)(e), the proposed preliminary municipality will, when all phases of the map or plat
362	are completed, likely comply with the population, population density, and contiguity
363	requirements described in Section 10-2a-502; and
364	(ii) provide notice of the determination to the lieutenant governor and the county clerk.
365	(b) If the Utah Population Committee determines, under Subsection (5)(a)(i), that,
366	when all phases of the plan or plat are completed, the proposed preliminary municipality will

367	not likely comply with the population, population density, and contiguity requirements
368	described in Section 10-2a-502, the lieutenant governor shall rescind the certification described
369	in Subsection (3) and reject the feasibility request.
370	(6) The lieutenant governor shall certify or reject feasibility requests in the order in
371	which the requests are filed.
372	(7) (a) If the lieutenant governor determines, under Subsection (4), that the feasibility
373	request fails to comply with Section 10-2a-502, or rejects the feasibility request under
374	Subsection (5)(b), the sponsors may, subject to Section 10-2a-505, amend the feasibility
375	request to correct the deficiencies and refile the feasibility request with the lieutenant governor.
376	(b) Except as provided in Subsection (7)(c), the sponsors may submit an amended
377	feasibility request within 90 days after the day on which the lieutenant governor makes the
378	determination or rejection described in Subsection (7)(a).
379	(c) The sponsors may not submit an amended feasibility request more than once.
380	(d) The lieutenant governor shall consider a feasibility request that is amended and
381	refiled under Subsection (7)(a) as a newly filed feasibility request and process the feasibility
382	request in accordance with this section.
383	Section 7. Section 10-2a-504 is enacted to read:
384	10-2a-504. Feasibility study Feasibility study consultant Qualifications for
385	proceeding with incorporation.
386	(1) Unless the lieutenant governor rescinds the certification under Subsection
387	10-2a-503(5)(b), the lieutenant governor shall, within 90 days after the day on which the
388	lieutenant governor certifies a feasibility request under Subsection 10-2a-503(3)(a), in
389	accordance with Subsection (2), engage a feasibility consultant to conduct a feasibility study.
390	(2) The lieutenant governor shall:
391	(a) select a feasibility consultant in accordance with Title 63G, Chapter 6a, Utah
392	Procurement Code;
393	(b) ensure that the feasibility consultant:
394	(i) has expertise in the processes and economics of local government; and
395	(ii) is not affiliated with a sponsor of the feasibility request or the county in which the
396	proposed municipality is located; and
397	(c) require the feasibility consultant to:

398	(i) submit a draft of the feasibility study to each applicable person with whom the
399	feasibility consultant is required to consult under Subsection (3)(c) within 90 days after the day
400	on which the lieutenant governor engages the feasibility consultant to conduct the study;
401	(ii) allow each person to whom the consultant provides a draft under Subsection
402	(2)(c)(i) to review and provide comment on the draft;
403	(iii) submit a completed feasibility study, including a one-page summary of the results,
404	to the following within 120 days after the day on which the lieutenant governor engages the
405	feasibility consultant to conduct the feasibility study:
406	(A) the lieutenant governor;
407	(B) the county legislative body of the county in which the proposed preliminary
408	municipality area is located;
409	(C) the primary sponsor contact; and
410	(D) each person to whom the consultant provided a draft under Subsection (2)(c)(i);
411	<u>and</u>
412	(iv) attend the public hearings described in Section 10-2a-506 to present the feasibility
413	study results and respond to questions from the public.
414	(3) (a) The feasibility study shall include:
415	(i) an analysis of:
416	(A) the likely population and population density within the proposed preliminary
417	municipality area when all phases of the map or plat for the proposed preliminary municipality
418	area are completed; and
419	(B) the population and population density of the area surrounding the proposed
420	preliminary municipality area on the day on which the feasibility request was submitted;
421	(ii) an analysis of the following, determined as if, at the time of the analysis, the
422	proposed preliminary municipality area is incorporated as a town with a population of 100
423	people:
424	(A) the initial and projected five-year demographics and tax base within the boundaries
425	of the proposed preliminary municipality area and the surrounding area, including household
426	size and income, commercial and industrial development, and public facilities;
427	(B) subject to Subsection (3)(b), the initial and five-year projected cost of providing
428	municipal services to the proposed preliminary municipality area, including administrative

429	costs;
430	(C) assuming the same tax categories and tax rates as imposed by the county and all
431	other current service providers at the time during which the feasibility consultant prepares the
432	feasibility study, the initial and five-year projected revenue for the proposed preliminary
433	municipality area;
434	(D) the risks and opportunities that might affect the actual costs described in
435	Subsection (3)(a)(ii)(B) or the revenues described in Subsection (3)(a)(ii)(C) of the proposed
436	preliminary municipality area;
437	(E) new revenue sources that may be available to the proposed preliminary
438	municipality area that are not available before the area incorporates, including an analysis of
439	the amount of revenues the proposed preliminary municipality area might obtain from those
440	revenue sources;
441	(F) the projected tax burden per household of any new taxes that may be levied within
442	the proposed preliminary municipality area within five years after incorporation as a town; and
443	(G) the fiscal impact of the proposed preliminary municipality area's incorporation as a
444	town on unincorporated areas, other municipalities, special districts, special service districts,
445	and other governmental entities in the county; and
446	(iii) an analysis regarding whether sufficient water will be available to support the
447	proposed preliminary municipal area when the development of the area is complete.
448	(b) (i) In calculating the projected costs under Subsection (3)(a)(ii)(B), the feasibility
449	consultant shall assume the proposed preliminary municipality area will provide a level and
450	quality of municipal services that fairly and reasonably approximate the level and quality of
451	municipal services that are provided to the area surrounding the proposed preliminary
452	municipality area at the time the feasibility consultant conducts the feasibility study.
453	(ii) In calculating the current cost of a municipal service under Subsection (3)(a)(ii)(B),
454	the feasibility consultant shall consider:
455	(A) the amount it would cost the proposed preliminary municipality area to provide the
456	municipal service for the first five years after the area incorporates as a town; and
457	(B) the proposed or current municipal service provider's initial and five-year projected
458	cost of providing the municipal service after the proposed preliminary municipality area
459	incorporates as a town.

460	(iii) In calculating costs under Subsection (3)(a)(ii)(B), the feasibility consultant shall
461	account for inflation and anticipated growth.
462	(c) In conducting the feasibility study, the feasibility consultant shall consult with the
463	following before submitting a draft of the feasibility study under Subsection (2)(c)(iii):
464	(i) if the proposed preliminary municipality will include lands owned by the United
465	States federal government, the entity within the United States federal government that has
466	jurisdiction over the land;
467	(ii) if the proposed preliminary municipality will include lands owned by the state, the
468	entity within state government that has jurisdiction over the land;
469	(iii) each entity that provides, or is proposed to provide, a municipal service to a
470	portion of the proposed preliminary municipality area; and
471	(iv) each other special service district that provides, or is proposed to provide, services
472	to a portion of the proposed preliminary municipality area.
473	(4) If the five-year projected revenues calculated under Subsection (3)(a)(ii)(C) exceed
474	the five-year projected costs calculated under Subsection (3)(a)(ii)(B) by more than 5%, the
475	feasibility consultant shall project and report the expected annual revenue surplus to the
476	primary sponsor contact and the lieutenant governor.
477	(5) (a) Except as provided in Subsection (5)(b), if the results of the feasibility study, or
478	a supplemental feasibility study described in Section 10-2a-505, show that the average annual
479	amount of revenue calculated under Subsection (3)(a)(ii)(C) does not exceed the average
480	annual cost calculated under Subsection (3)(a)(ii)(B) by more than 5%, the process to
481	incorporate the area that is the subject of the feasibility study or supplemental feasibility study
482	may not proceed.
483	(b) Except as provided in Subsection 10-2a-505(3), the process to incorporate an area
484	described in Subsection (5)(a) may proceed if a subsequent supplemental feasibility study
485	conducted under Section 10-2a-505 for the proposed incorporation demonstrates compliance
486	with Subsection (5)(a).
487	(6) If the results of the feasibility study or revised feasibility study do not comply with
488	Subsection (5), and if requested by the sponsors of the request, the feasibility consultant shall,
489	as part of the feasibility study or revised feasibility study, make recommendations regarding
490	how the proposed preliminary municipality area may be altered to comply with Subsection (5),

491	unless the sponsors are precluded from modifying the feasibility request under Subsection
492	<u>10-2a-505(3).</u>
493	(7) The lieutenant governor shall post a copy of the feasibility study, and any
494	supplemental feasibility study described in Section 10-2a-505, on the lieutenant governor's
495	website and make a copy available for public review at the lieutenant governor's office.
496	Section 8. Section 10-2a-505 is enacted to read:
497	10-2a-505. Modified feasibility request Supplemental feasibility study.
498	(1) (a) The sponsors of a feasibility request may modify the request to alter the
499	boundaries of the proposed preliminary municipality area and refile the modified feasibility
500	request with the lieutenant governor if:
501	(i) the results of the feasibility study do not comply with Subsection 10-2a-504(5)(a);
502	<u>or</u>
503	(ii) (A) the feasibility request complies with Subsection 10-2a-502(3)(a);
504	(B) the annexation petition described in Subsection 10-2a-502(3)(a) that proposed the
505	annexation of an area that is part of the proposed preliminary municipality area has been
506	denied; and
507	(C) a petition for incorporation described in Section 10-2a-507, based on the feasibility
508	request, has not been filed.
509	(b) (i) The sponsors of a feasibility request may not file a modified request under
510	Subsection (1)(a)(i) more than 90 days after the day on which the feasibility consultant submits
511	the final results of the feasibility study under Subsection 10-2a-504(2)(c)(iii).
512	(ii) The sponsors of a feasibility request may not file a modified request under
513	Subsection (1)(a)(ii) more than 18 months after filing the original feasibility request under
514	Section 10-2a-502.
515	(c) A modified feasibility request under Subsection (1)(a) shall comply with
516	Subsections 10-2a-502(1) through (4).
517	(d) Within 20 days after the day on which the lieutenant governor receives the
518	modified request, the lieutenant governor shall follow the same procedure described in
519	Subsections 10-2a-503(1) through (4) for the modified feasibility request as for an original
520	feasibility request.
521	(2) The timely filing of a modified feasibility request under Subsection (1) gives the

022	modified feasibility request the same processing priority under Subsection 10-2a-305(6) as the
523	original feasibility request.
524	(3) The sponsors of a feasibility request may not file a modified feasibility request
525	under Subsection (1)(a)(i) more than once.
526	(4) Within 10 days after the day on which the county clerk receives a modified
527	feasibility request under Subsection (1)(a) that relates to a request for which a feasibility study
528	has already been completed, the lieutenant governor shall commission the feasibility consultant
529	who conducted the feasibility study to conduct a supplemental feasibility study that accounts
530	for the modified feasibility request.
531	(5) The lieutenant governor shall require the feasibility consultant to:
532	(a) submit a draft of the supplemental feasibility study to each applicable person with
533	whom the feasibility consultant is required to consult under Subsection 10-2a-504(3)(c) within
534	30 days after the day on which the feasibility consultant is engaged to conduct the supplemental
535	study;
536	(b) allow each person to whom the consultant provided a draft under Subsection (5)(a)
537	to review and provide comment on the draft; and
538	(c) submit a completed supplemental feasibility study, to the following within 45 days
539	after the day on which the feasibility consultant is engaged to conduct the feasibility study:
540	(i) the lieutenant governor;
541	(ii) the county legislative body of the county in which the incorporation is proposed;
542	(iii) the primary sponsor contact; and
543	(iv) each person to whom the consultant provided a draft under Subsection (5)(a).
544	(6) (a) Subject to Subsections (3) and (6)(b), if the results of the supplemental
545	feasibility study do not comply with Subsection 10-2a-504(4), the sponsors may further modify
546	the request in accordance with Subsection (1).
547	(b) Subsections (1)(d), (4), and (5) apply to a modified feasibility request described in
548	Subsection (6)(a).
549	(c) The lieutenant governor shall consider a modified feasibility request described in
550	Subsection (6)(a) as an original feasibility request for purposes of determining the modified
551	feasibility request's processing priority under Subsection 10-2a-503(6).
552	Section 9. Section <b>10-2a-506</b> is enacted to read:

53	10-2a-506. Public hearings on feasibility study results Notice of hearings.
554	(1) If the results of the feasibility study or supplemental feasibility study comply with
555	Subsection 10-2a-504(4), the lieutenant governor shall, after receipt of the results of the
556	feasibility study or supplemental feasibility study, conduct public hearings in accordance with
557	this section.
558	(2) (a) If a portion of the proposed preliminary municipality area is approved for
559	annexation after the feasibility study or supplemental feasibility study is conducted but before
560	the lieutenant governor conducts a public hearing under Subsection (4), the lieutenant governor
561	may not conduct the public hearing under Subsection (4) unless:
562	(i) the sponsors of the feasibility study file a modified feasibility request in accordance
563	with Section 10-2a-505; and
564	(ii) the results of the supplemental feasibility study comply with Subsection
565	<u>10-2a-504(4).</u>
566	(b) For purposes of Subsection (2)(a), an area is approved for annexation if a municipal
567	legislative body:
568	(i) approves an annexation petition proposing the annexation of an area that is part of
569	the proposed preliminary municipality area under Section 10-2-407 or 10-2-408; or
570	(ii) adopts an ordinance approving the annexation of an area that is part of the proposed
571	preliminary municipality area under Section 10-2-418.
572	(3) The lieutenant governor shall conduct a public hearing:
573	(a) within 60 days after the day on which the lieutenant governor receives the results
574	under Subsection (1) or (2)(a)(ii);
575	(b) at a location within or near the proposed preliminary municipality; and
576	(c) to allow the feasibility consultant to present the results of the feasibility study and
577	inform the public about the results.
578	(4) The lieutenant governor shall:
579	(a) conduct an additional public hearing following each occasion when, after the day of
580	the initial public hearing, the lieutenant governor receives the results of a supplemental
581	feasibility study that comply with Subsection 10-2a-504(4); and
582	(b) hold the public hearing described in Subsection (4)(a):
583	(i) within 30 days after the day on which the lieutenant governor receives the results of

584	the supplemental feasibility study;
585	(ii) at a location within or near the proposed preliminary municipality;
586	(iii) to inform the public that the feasibility presented to the public at the preceding
587	public hearing does not apply; and
588	(iv) to allow the feasibility consultant to present the results of the supplemental
589	feasibility study and inform the public about the results.
590	(5) At each public hearing required under this section, the lieutenant governor shall:
591	(a) provide a map or plat of the boundary of the proposed preliminary municipality;
592	(b) provide a copy of the applicable feasibility study for public review;
593	(c) allow members of the public to express views about the proposed preliminary
594	municipality, including views about the proposed boundaries; and
595	(d) allow the public to ask the feasibility consultant questions about the applicable
596	feasibility study.
597	(6) The lieutenant governor shall publish notice of each public hearing required under
598	this section for the proposed preliminary municipality area, as a class B notice under Section
599	63G-30-102, for at least three weeks before the day of the public hearing.
600	(7) (a) Except as provided in Subsection (7)(b), for a hearing described in this section,
601	the notice described in Subsection (7) shall:
602	(i) include the feasibility study summary described in Subsection 10-2a-504(2)(c)(iii);
603	<u>and</u>
604	(ii) indicate that a full copy of the feasibility study is available on the lieutenant
605	governor's website and for inspection at the lieutenant governor's office.
606	(b) Instead of publishing the feasibility summary under Subsection (7)(a)(i), the
607	lieutenant governor may publish a statement that specifies the following sources where a
608	person may view or obtain a copy of the feasibility study:
609	(i) the lieutenant governor's website;
610	(ii) the lieutenant governor's office; and
611	(iii) a mailing address and telephone number.
612	Section 10. Section 10-2a-507 is enacted to read:
613	10-2a-507. Petition for incorporation Requirements and form.
614	(1) At any time within one year after the day on which the lieutenant governor

015	completes the public hearings required under Section 10-2a-506, the owners of the property
516	who filed the feasibility request under Section 10-2a-502 for the proposed preliminary
517	municipal area may proceed with the incorporation process by filing a petition for
518	incorporation of the proposed preliminary municipality that:
519	(a) includes the typed or printed name, signature, address, and phone number of the
520	initial landowners;
521	(b) describes the proposed preliminary municipality area, as described in the feasibility
522	request or the modified feasibility;
523	(c) demonstrates compliance with Subsection 10-2a-504(4);
524	(d) states the proposed name for the proposed preliminary municipality;
525	(e) designates the primary sponsor contact for the proposed preliminary municipality;
526	(f) designates the board chair and three of the four board members who will serve as a
527	five member council form of government for the preliminary municipality, described in Section
528	10-3b-402, for the preliminary municipality;
529	(g) is accompanied by an accurate map or plat, prepared by a licensed surveyor,
530	showing:
531	(i) the boundaries of the proposed preliminary municipality;
532	(ii) a single development plan for the proposed municipality, depicting each phase of
533	the development;
534	(h) is accompanied by a bond, cash deposit, or letter of credit that:
535	(i) is posted by the initial landowners;
536	(ii) is in favor of the proposed preliminary municipality, to guarantee that the initial
537	landowners will complete the system infrastructure no later than six years after the day on
538	which the initial landowners file the petition for incorporation described in this section; and
539	(iii) will be refunded to the initial landowners in percentages that reflect the progress
540	toward completing the system infrastructure; and
541	(i) is accompanied by payment in full, from the initial landowners, of the costs incurred
542	by the lieutenant governor for the feasibility study, the public notices, the hearings, and the
543	other expenses incurred by the lieutenant governor to comply with the requirements of this part
544	in relation to the proposed preliminary municipality.
5/15	(2) If within six years after the day on which the initial landowners file a netition for

646	incorporation under Subsection (1), the system infrastructure for the preliminary municipality
647	is not completed, the portion of the bond, cash deposit, or letter of credit described in
648	Subsection (1)(h) that has not been refunded to the initial landowners shall forfeit to the
649	preliminary municipality.
650	(3) If, within six years after the day on which the initial landowners file a petition for
651	incorporation under Subsection (1), the preliminary municipality has not transitioned to a town
652	(a) the lieutenant governor shall issue a certificate dissolving the preliminary
653	municipality;
654	(b) all roads and infrastructure within the preliminary municipality revert to the county
655	in which the preliminary municipality is located;
656	(c) the area within the proposed municipality falls under the jurisdiction of the county
657	and is no longer incorporated; and
658	(d) the initial landowners are liable to the county for damages caused to the county due
659	to the dissolution of the preliminary municipality.
660	Section 11. Section 10-2a-508 is enacted to read:
661	10-2a-508. Processing of petition by lieutenant governor Certification or
662	rejection Petition modification.
663	(1) Within 45 days after the day on which a petition for incorporation is filed under
664	Section 10-2a-507, the lieutenant governor shall:
665	(a) determine whether the petition for incorporation complies with Section 10-2a-507;
666	<u>and</u>
667	(b) (i) if the lieutenant governor determines that the petition for incorporation complies
668	with Section 10-2a-507, incorporate the preliminary municipality, issue a certificate of
669	incorporation, and appoint the board chair and three board members designated under
670	<u>Subsection</u> 10-2a-507(1)(e); or
671	(ii) if the lieutenant governor determines that the petition for incorporation fails to
672	comply with Section 10-2a-507, reject the petition for incorporation and notify the primary
673	sponsor contact in writing of the rejection and the reasons for the rejection.
674	(2) (a) If the lieutenant governor rejects a petition for incorporation under Subsection
675	(1)(b)(ii), the sponsors of the petition for incorporation may correct the deficiencies for which
676	the petition for incorporation was rejected and refile the petition for incorporation with the

0//	neutenant governor.
678	(b) Notwithstanding the deadline described in Subsection 10-2a-507(1), the sponsors of
679	the petition for incorporation may file a modified petition for incorporation under Subsection
680	(2)(a) no later than 30 days after the day on which the lieutenant governor notifies the primary
681	sponsor contact of the rejection under Subsection (1)(b)(ii).
682	(3) (a) Within 20 days after the day on which the lieutenant governor receives a
683	modified petition for incorporation under Subsection (2)(a), the lieutenant governor shall
684	review the modified petition for incorporation in accordance with Subsection (1).
685	(b) The sponsors of a petition for incorporation may not modify the petition for
686	incorporation more than once.
687	Section 12. Section 10-2a-509 is enacted to read:
688	10-2a-509. Governance of preliminary municipality Utilities Road
689	maintenance.
690	(1) (a) Within 30 days after the day on which the lieutenant governor issues a
691	certificate of incorporation described in Subsection 10-2a-508(1)(b)(i), the county in which the
692	preliminary municipality is located shall appoint one board member for the preliminary
693	municipality.
694	(b) If the county fails to timely comply with Subsection (1)(a), the board chair and the
695	three board members appointed under Subsection 10-2a-508(1)(b)(i) shall, by majority vote,
696	appoint the final board member.
697	(2) The board chair and board members, described in Subsection (1), of a preliminary
698	municipality:
699	(a) are not required to be residents of the preliminary municipality; and
700	(b) shall serve as the board for the preliminary municipality until replaced by election
701	under Section 10-2a-510.
702	(3) (a) Subject to Subsection (3)(b), a preliminary municipality has the powers and
703	duties of a municipality, described in Chapter 8, Powers and Duties of Municipalities.
704	(b) A preliminary municipality:
705	(i) may not impose a tax;
706	(ii) may enter into an interlocal agreement with a special district to provide utility
707	services to the preliminary municipality:

708	(iii) has the same authority as another municipality to make decisions regarding zoning
709	and land use; and
710	(iv) may not receive an allocation of sales tax or gas tax.
711	(4) As needed, the county shall provide all services and utility connections to the
712	preliminary municipality that the county provides other areas in the county if the preliminary
713	municipality:
714	(a) pays the uniformly assessed rates for the services and utilities and reasonable
715	connection fees; and
716	(b) complies with the county's established regulations and specifications for the
717	construction and connection of the local improvements.
718	(5) The preliminary municipality shall maintain and repair any roadway that, on the day
719	on which the individual filed the feasibility request under Section 10-2a-502:
720	(a) existed within the preliminary municipality;
721	(b) was within a public right of way that abuts the preliminary municipality; or
722	(c) was within 1/2 mile of the preliminary municipality and connected to, or was
723	proposed in the feasibility request to be connected to, the preliminary municipality.
724	(6) Before the preliminary municipality submits a petition to transition to a town, the
725	preliminary municipality shall select an independent third-party engineer to review and approve
726	all building permit applications within the preliminary municipality to ensure compliance with
727	the law.
728	(7) Chapter 2, Classification, Boundaries, Consolidation, and Dissolution of
729	Municipalities, does not apply to a preliminary municipality.
730	Section 13. Section 10-2a-510 is enacted to read:
731	10-2a-510. Transitioning from a preliminary municipality to a town Petition
732	Election of officers.
733	(1) Within 30 days after the day on which the population of a preliminary municipality
734	exceeds 99 people, a person who filed the application to incorporate as a preliminary
735	municipality or a resident of the preliminary municipality shall file with the lieutenant governor
736	a petition to transition the preliminary municipality into a town.
737	(2) A petition to transition a preliminary municipality into a town shall include:
738	(a) a request that the lieutenant governor certify the transition of the preliminary

739	municipality to, and the incorporation of the preliminary municipality as, a town;
740	(b) the name, address, and phone number of the person filing the request;
741	(c) the map or plat of the preliminary municipality;
742	(d) a legal description of the boundaries of the preliminary municipality;
743	(e) information regarding the preliminary municipality, including:
744	(i) the number of residences in the preliminary municipality;
745	(ii) the population of the preliminary municipality;
746	(iii) the number of adults and the number of children who reside in the preliminary
747	municipality; and
748	(iv) information regarding the providers of municipal services and emergency services
749	to the preliminary municipality;
750	(f) the proposed name for the town; and
751	(g) a signature sheet containing the names, addresses, and signatures of a majority of
752	the adult residents of the preliminary municipality, supporting the proposed name for the town
753	(3) Within 30 days after the day on which a person files a petition to transition a
754	preliminary municipality into a town, the lieutenant governor shall:
755	(a) determine whether the preliminary municipality has a population of more than 99
756	people;
757	(b) examine the petition to determine whether the petition complies with Subsection
758	<u>(2);</u>
759	(c) if the lieutenant governor determines that the preliminary municipality has a
760	population of more than 99 people and that the petition complies with Subsection (2), proceed
761	to transition the preliminary municipality as a town in accordance with Subsection (4);
762	(d) if the lieutenant governor determines that the preliminary municipality has a
763	population of less than 100 people, deny the petition, inform the person who filed the petition
764	of the determination, and request that the person refile the petition when the population
765	exceeds 99 people; and
766	(e) if the lieutenant governor determines that the petition fails to comply with
767	Subsection (2), deny the petition, inform the person who filed the petition of the denial and the
768	reason for the denial, and request that the person correct and refile the petition.
769	(4) After making the determination described in Subsection (3)(c) the lieutenant

770	governor shall:
771	(a) inform the person who filed the petition of the determination;
772	(b) inform the county in which the preliminary municipality is located of the
773	determination; and
774	(c) direct the county to conduct an election for mayor and city council of the future
775	town, to be held on the date of the next regular general election described in Section
776	20A-1-201, or the next municipal general election described in Section 20A-1-202, that is at
777	least 65 days after the day on which the lieutenant governor directs the county to hold the
778	election.
779	(5) The county shall:
780	(a) comply with the direction given by the lieutenant governor under Subsection (4)(c);
781	(b) determine the initial terms of the mayor and municipal council members to ensure
782	that:
783	(i) the mayor and two of the municipal county members are elected in the next
784	municipal general election;
785	(ii) the remaining municipal council members are elected at elections that result in the
786	staggering of council member terms; and
787	(iii) the council members who receive the highest number of votes are assigned the
788	longer initial terms; and
789	(c) provide notice of the election for preliminary municipality as a class B notice under
790	Section 63G-30-102, for at least three weeks before the day of the election.
791	(6) The notice described in Subsection (5)(c) shall include:
792	(a) a statement of the contents of the petition to transition the preliminary municipality
793	to a town;
794	(b) a description of the area to be incorporated as a town;
795	(c) the name of the town;
796	(d) information about the deadline for an individual to file a declaration of candidacy to
797	become a candidate for mayor or municipal council;
798	(e) information about the initial terms of office;
799	(f) a statement of the date and time of the election and the location of polling places;
800	<u>and</u>

801	(g) a statement that the purpose of the election is to elect a mayor and a council to
802	govern the town upon the town's incorporation.
803	(7) (a) In addition to the notice described in Subsection (6), the county clerk shall
804	publish and distribute, before the election is held, a voter information pamphlet:
805	(i) in accordance with the procedures and requirements of Section 20A-7-402;
806	(ii) in consultation with the lieutenant governor; and
807	(iii) in a manner that the county clerk determines is adequate.
808	(b) The voter information pamphlet described in Subsection (7)(a):
809	(i) shall inform the public of the election and the purpose of the election; and
810	(ii) may include additional information regarding the election of the elected officials
811	and the incorporation of the town.
812	(8) An individual may not vote in the election described in this section unless the
813	individual is a registered voter who is a resident, as defined in Section 20A-1-102, within the
814	boundaries of the preliminary municipality.
815	(9) The town, incorporated under Subsection (10)(b), shall pay to the county the cost of
816	running the election described in this section.
817	(10) On the day after the day on which the canvass for the election is completed:
818	(a) the elected mayor and council members shall take office and replace the board chair
819	and board members of the preliminary municipality;
820	(b) the lieutenant governor shall issue a certification that the preliminary municipality
821	has transitioned to, and is incorporated as, a town; and
822	(c) subject to Subsection (14), the town holds all authority and power of a town.
823	(11) The former mayor and council members for the preliminary municipality shall
824	assist the newly-elected mayor of the town and the newly-elected council members of the town
825	with the transition to a town and the transfer of power to the elected government of the town.
826	(12) The initial government of a town incorporated under this section is the five
827	member council form of government described in Chapter 3b, Part 4, Five-Member Council
828	Form of Municipal Government, with the mayor and counsel members elected at large.
829	(13) Within 30 days after the day on which the mayor takes office under Subsection
830	(10)(a), the mayor shall record the certification described in Subsection (10)(b), and a copy of
831	the plat for the municipality, with the county recorder.

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832	(14) Until the mayor complies with Subsection (13), the municipality may not:
833	(a) levy or collect a property tax on property within the municipality;
834	(b) levy or collect an assessment on property within the municipality; or
835	(c) charge or collect a fee for a service provided to property within the municipality.
836	(15) Section 10-2a-220 applies to a town incorporated under this section.
837	Section 14. Section 63I-1-210 is amended to read:
838	63I-1-210. Repeal dates: Title 10.
839	The following are repealed on January 1, 2031:
840	(1) Subsection 10-1-104(5)(d);
841	(2) Subsection 10-2a-201.5(1)(b);
842	(3) Subsection 10-2a-202(5); and
843	(4) Title 10, Chapter 2a, Part 5, Incorporation of a Preliminary Municipality.
844	Section 15. Effective date.
845	This bill takes effect on May 1, 2024.