

REQUIREMENTS FOR DISTRICTS PROVIDING SERVICES

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kirk A. Cullimore

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions relating to local government districts that provide services.

Highlighted Provisions:

This bill:

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

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

17B-1-306, as last amended by Laws of Utah 2023, Chapters 15, 435

17B-1-417, as last amended by Laws of Utah 2023, Chapters 15, 435



- 28 **17B-1-635**, as last amended by Laws of Utah 2023, Chapter 15
- 29 **17B-1-643**, as last amended by Laws of Utah 2023, Chapters 15, 435
- 30 **17D-1-103**, as last amended by Laws of Utah 2023, Chapter 15
- 31 **17D-1-403**, as last amended by Laws of Utah 2009, Chapter 350

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

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

35 **17B-1-306. Special district board -- Election procedures -- Notice.**

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

38 (2) (a) Each election of a special district board member shall be held:

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

41 (ii) at polling places designated by the special district board in consultation with the
42 county clerk for each county in which the special district is located, which polling places shall
43 coincide with municipal general election or regular general election polling places, as
44 applicable, whenever feasible.

45 (b) The special district board, in consultation with the county clerk, may consolidate
46 two or more polling places to enable voters from more than one district to vote at one
47 consolidated polling place.

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

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

54 (3) (a) The clerk of each special district with a board member position to be filled at
55 the next municipal general election or regular general election, as applicable, shall provide
56 notice of:

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

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

60 ~~[(c)]~~ (iii) the dates and times for filing a declaration of candidacy.

61 (b) If the election is to be held at the same time as the municipal general election, a
62 declaration of candidacy shall be filed on the days specified in Subsection 20A-9-203(3)(a)(i).

63 (c) If the election is to be held at the same time as the regular general election, a
64 declaration of candidacy shall be filed by the deadline stated in Subsection 20A-9-202(1)(b).

65 (4) The clerk of the special district shall publish the notice described in Subsection
66 ~~[(3)]~~ (3)(a) for the special district, as a class A notice under Section 63G-30-102, for at least 10
67 days before the first day for filing a declaration of candidacy.

68 (5) (a) Except as provided in Subsection (5)(c), to become a candidate for an elective
69 special district board position, an individual shall file a declaration of candidacy in person with
70 an official designated by the special district within the candidate filing period for the applicable
71 election year in which the election for the special district board is held and:

72 (i) during the special district's standard office hours, if the standard office hours
73 provide at least three consecutive office hours each day during the candidate filing period that
74 is not a holiday or weekend; or

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

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

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

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

84 (ii) the designated agent appears in person before the official designated by the special
85 district; and

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

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

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

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

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

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

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

98 "I, (print name) _____, being first duly sworn, say that I reside at (Street)
99 _____, City of _____, County of _____, state of Utah, (Zip
100 Code) _____, (Telephone Number, if any) _____; that I meet the qualifications for the
101 office of board of trustees member for _____ (state the name of the
102 special district); that I am a candidate for that office to be voted upon at the next election; and
103 that, if filing via a designated agent, I will be out of the state of Utah during the entire
104 candidate filing period, and I hereby request that my name be printed upon the official ballot
105 for that election.

106 (Signed) _____

107 Subscribed and sworn to (or affirmed) before me by _____ on this _____ day
108 of _____, ____.

109 (Signed) _____

110 (Clerk or Notary Public)".

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

113 (g) Each individual wishing to become a valid write-in candidate for an elective special
114 district board position is governed by Section 20A-9-601.

115 (h) If at least one individual does not file a declaration of candidacy as required by this
116 section, an individual shall be appointed to fill that board position in accordance with the
117 appointment provisions of Section 20A-1-512.

118 (i) If only one candidate files a declaration of candidacy and there is no write-in
119 candidate who complies with Section 20A-9-601, the board, in accordance with Section
120 20A-1-206, may:

- 121 (i) consider the candidate to be elected to the position; and
- 122 (ii) cancel the election.
- 123 (6) (a) A primary election may be held if:
- 124 (i) the election is authorized by the special district board; and
- 125 (ii) the number of candidates for a particular local board position or office exceeds
- 126 twice the number of persons needed to fill that position or office.
- 127 (b) The primary election shall be conducted:
- 128 (i) on the same date as the municipal primary election or the regular primary election,
- 129 as applicable; and
- 130 (ii) according to the procedures for primary elections provided under Title 20A,
- 131 Election Code.
- 132 (7) (a) Except as provided in Subsection (7)(c), within one business day after the
- 133 deadline for filing a declaration of candidacy, the special district clerk shall certify the
- 134 candidate names to the clerk of each county in which the special district is located.
- 135 (b) (i) Except as provided in Subsection (7)(c) and in accordance with Section
- 136 [20A-6-305](#), the clerk of each county in which the special district is located and the special
- 137 district clerk shall coordinate the placement of the name of each candidate for special district
- 138 office in the nonpartisan section of the ballot with the appropriate election officer.
- 139 (ii) If consolidation of the special district election ballot with the municipal general
- 140 election ballot or the regular general election ballot, as applicable, is not feasible, the special
- 141 district board of trustees, in consultation with the county clerk, shall provide for a separate
- 142 special district election ballot to be administered by poll workers at polling places designated
- 143 under Subsection (2).
- 144 (c) (i) Subsections (7)(a) and (b) do not apply to an election of a member of the board
- 145 of an irrigation district established under Chapter 2a, Part 5, Irrigation District Act.
- 146 (ii) (A) Subject to Subsection (7)(c)(ii)(B), the board of each irrigation district shall
- 147 prescribe the form of the ballot for each board member election.
- 148 (B) Each ballot for an election of an irrigation district board member shall be in a
- 149 nonpartisan format.
- 150 (C) The name of each candidate shall be placed on the ballot in the order specified
- 151 under Section [20A-6-305](#).

152 (8) (a) Each voter at an election for a board of trustees member of a special district
153 shall:

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

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

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

157 and

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

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

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

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

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

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

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

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

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

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

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

177 (i) a special district board; or

178 (ii) the administrative control board of a special service district that has elected
179 members on the board.

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

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

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

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

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

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

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

199 (15) (a) This Subsection (15) applies to a special district if:

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

202 (ii) the special district was created before January 1, 2020.

203 (b) The board of a special district described in Subsection (15)(a) may conduct an
204 election:

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

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

209 (c) An election under Subsection (15)(b) may be conducted as determined by the
210 special district board, subject to Subsection (15)(d).

211 (d) (i) The special district board shall provide to property owners eligible to vote at the
212 special district election:

213 (A) notice of the election; and

- 214 (B) a form to nominate an eligible individual to be elected as a board member.
- 215 (ii) (A) The special district board may establish a deadline for a property owner to
- 216 submit a nomination form.
- 217 (B) A deadline under Subsection (15)(d)(ii)(A) may not be earlier than 15 days after
- 218 the board provides the notice and nomination form under Subsection (15)(d)(i).
- 219 (iii) (A) After the deadline for submitting nomination forms, the special district board
- 220 shall provide a ballot to all property owners eligible to vote at the special district election.
- 221 (B) A special district board shall allow at least five days for ballots to be returned.
- 222 (iv) A special district board shall certify the results of an election under this Subsection
- 223 (15) during an open meeting of the board.

224 Section 2. Section **17B-1-417** is amended to read:

225 **17B-1-417. Boundary adjustment -- Notice and hearing -- Protest -- Resolution**
226 **adjusting boundaries -- Filing of notice and plat with the lieutenant governor --**
227 **Recording requirements -- Effective date.**

228 (1) As used in this section, "affected area" means the area located within the
229 boundaries of one special district that will be removed from that special district and included
230 within the boundaries of another special district because of a boundary adjustment under this
231 section.

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

235 (3) (a) The board of trustees of each special district intending to adjust a boundary that
236 is common with another special district shall:

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

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

240 (iii) provide notice for the affected area, as a class B notice under Section [63G-30-102](#),
241 for at least two weeks before the day of the public hearing.

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

243 (i) state that the board of trustees of the special district has adopted a resolution

244 indicating the board's intent to adjust a boundary that the special district has in common with

245 another special district that provides the same service as the special district;

246 (ii) describe the affected area;

247 (iii) state the date, time, and location of the public hearing required under Subsection

248 (3)(a)(ii);

249 (iv) provide a special district telephone number where additional information about the

250 proposed boundary adjustment may be obtained;

251 (v) explain the financial and service impacts of the boundary adjustment on property

252 owners or residents within the affected area; and

253 (vi) state in conspicuous and plain terms that the board of trustees may approve the

254 adjustment of the boundaries unless, at or before the public hearing under Subsection (3)(a)(ii),

255 written protests to the adjustment are filed with the board by:

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

257 (I) is located within the affected area;

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

259 (III) is equal in assessed value to at least 50% of the assessed value of all private real

260 property within the affected area; or

261 (B) registered voters residing within the affected area equal in number to at least 50%

262 of the votes cast in the affected area for the office of governor at the last regular general

263 election before the filing of the protests.

264 (c) The boards of trustees of the special districts whose boundaries are being adjusted

265 may jointly:

266 (i) provide the notice required under Subsection (3)(a)(iii); and

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

268 (d) Subsections (3)(a)(ii) and (iii), (3)(b), and (3)(c) do not apply if signed, written

269 consents to the boundary adjustment have been filed with the board from:

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

271 (ii) registered voters residing within the affected area equal in number to at least the

272 number of votes cast in the affected area for the office of governor at the last regular general

273 election.

274 (4) After the public hearing required under Subsection (3)(a)(ii) or if a hearing is not

275 required under Subsection (3)(d), the board of trustees may adopt a resolution approving the

276 adjustment of the common boundary unless, at or before the public hearing, written protests to
277 the boundary adjustment have been filed with the board by:

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

279 (i) is located within the affected area;

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

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

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

286 (5) A resolution adopted under Subsection (4) does not take effect until the board of
287 each special district whose boundaries are being adjusted has adopted a resolution under
288 Subsection (4).

289 (6) The board of the special district whose boundaries are being adjusted to include the
290 affected area shall:

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

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

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

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

298 (i) if the affected area is located within the boundary of a single county, submit to the
299 recorder of that county:

300 (A) the original:

301 (I) notice of an impending boundary action;

302 (II) certificate of boundary adjustment; and

303 (III) approved final local entity plat; and

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

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

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

307 (I) the original of the documents listed in Subsections (6)(b)(i)(A)(I), (II), and (III); and
 308 (II) a certified copy of each resolution adopted under Subsection (4); and
 309 (B) submit to the recorder of each other county:

310 (I) a certified copy of the documents listed in Subsections (6)(b)(i)(A)(I), (II), and (III);
 311 and
 312 (II) a certified copy of each resolution adopted under Subsection (4).

313 (7) (a) Upon the lieutenant governor's issuance of a certificate of boundary adjustment
 314 under Section 67-1a-6.5, the affected area is annexed to the special district whose boundaries
 315 are being adjusted to include the affected area, and the affected area is withdrawn from the
 316 special district whose boundaries are being adjusted to exclude the affected area.

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

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

- 322 (A) levy or collect a property tax on property within the affected area;
- 323 (B) levy or collect an assessment on property within the affected area; or
- 324 (C) charge or collect a fee for service provided to property within the affected area.

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

326 (A) may not be construed to limit a special district's ability before a boundary
 327 adjustment to charge and collect a fee for service provided to property that is outside the
 328 special district's boundary; and

329 (B) does not apply until 60 days after the effective date, under Subsection (7)(a), of the
 330 special district's boundary adjustment, with respect to a fee that the special district was
 331 charging for service provided to property within the area affected by the boundary adjustment
 332 immediately before the boundary adjustment.

333 Section 3. Section 17B-1-635 is amended to read:

334 **17B-1-635. Duties with respect to issuance of checks.**

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

338 (a) the claim was authorized by:
339 (i) the board of trustees; or
340 (ii) the special district financial officer, if the financial officer is not the clerk, in
341 accordance with Section 17B-1-642;
342 (b) the claim does not overexpend the appropriate departmental budget established by
343 the board of trustees; and

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

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

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

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

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

356 Section 4. Section 17B-1-643 is amended to read:

357 **17B-1-643. Imposing or increasing a fee for service provided by special district.**

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

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

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

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

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

368 (d) Except to the extent that this section imposes more stringent notice requirements,

369 the special district board shall comply with Title 52, Chapter 4, Open and Public Meetings Act,
370 in holding the public hearing under Subsection (1)(a).

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

373 (b) The special district board shall publish the notice described in Subsection (2)(a) for
374 the special district, as a class A notice under Section 63G-30-102, for at least 30 days.

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

381 (d) (i) In lieu of providing notice under Subsection (2)(b), the special district board of
382 trustees may give the notice required under Subsection (2)(a) by mailing the notice to those
383 within the district who:

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

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

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

388 (iii) A notice under Subsection (2)(d)(i) may accompany a district bill for an existing
389 fee.

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

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

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

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

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

398 (h) After holding a public hearing under Subsection (1), a special district board may:

399 (i) impose the new fee or increase the existing fee as proposed;

400 (ii) adjust the amount of the proposed new fee or the increase of the existing fee and
401 then impose the new fee or increase the existing fee as adjusted; or

402 (iii) decline to impose the new fee or increase the existing fee.

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

405 (j) (i) This section does not apply to an impact fee.

406 (ii) The imposition or increase of an impact fee is governed by Title 11, Chapter 36a,
407 Impact Fees Act.

408 Section 5. Section **17D-1-103** is amended to read:

409 **17D-1-103. Special service district status, powers, and duties -- Registration as a**
410 **limited purpose entity -- Limitation on districts providing jail service.**

411 (1) A special service district:

412 (a) is:

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

415 (ii) a quasi-municipal corporation; and

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

417 (b) may sue and be sued.

418 (2) A special service district may:

419 (a) exercise the power of eminent domain possessed by the county or municipality that
420 creates the special service district;

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

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

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

429 (c) acquire or construct facilities;

430 (d) acquire real or personal property, or an interest in real or personal property,

431 including water and water rights, whether by purchase, lease, gift, devise, bequest, or
432 otherwise, and whether the property is located inside or outside the special service district, and
433 own, hold, improve, use, finance, or otherwise deal in and with the property or property right;

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

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

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

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

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

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

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

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

451 (m) borrow money and incur indebtedness;

452 (n) as provided in Part 5, Special Service District Bonds, issue bonds for the purpose of
453 acquiring, constructing, and equipping any of the facilities required for the services the special
454 service district is authorized to provide, including:

455 (i) bonds payable in whole or in part from taxes levied on the taxable property in the
456 special service district;

457 (ii) bonds payable from revenues derived from the operation of revenue-producing
458 facilities of the special service district;

459 (iii) bonds payable from both taxes and revenues;

460 (iv) guaranteed bonds, payable in whole or in part from taxes levied on the taxable
461 property in the special service district;

- 462 (v) tax anticipation notes;
- 463 (vi) bond anticipation notes;
- 464 (vii) refunding bonds;
- 465 (viii) special assessment bonds; and
- 466 (ix) bonds payable in whole or in part from mineral lease payments as provided in
- 467 Section [11-14-308](#);
- 468 (o) except as provided in Subsection (5), impose fees or charges or both for
- 469 commodities, services, or facilities that the special service district provides;
- 470 (p) provide to an area outside the special service district's boundary, whether inside or
- 471 outside the state, a service that the special service district is authorized to provide within its
- 472 boundary, if the governing body makes a finding that there is a public benefit to providing the
- 473 service to the area outside the special service district's boundary;
- 474 (q) provide other services that the governing body determines will more effectively
- 475 carry out the purposes of the special service district; and
- 476 (r) adopt an official seal for the special service district.
- 477 (3) (a) Each special service district shall register and maintain the special service
- 478 district's registration as a limited purpose entity, in accordance with Section [67-1a-15](#).
- 479 (b) A special service district that fails to comply with Subsection (3)(a) or Section
- 480 [67-1a-15](#) is subject to enforcement by the state auditor, in accordance with Section [67-3-1](#).
- 481 (4) (a) Each special service district that uses an officer, employee, property, equipment,
- 482 office, or facility of the county or municipality that created the special service district shall
- 483 reimburse the county or municipality a reasonable amount for what the special service district
- 484 uses.
- 485 (b) The amount invoiced for what the special service district uses under Subsection
- 486 (4)(a) may not exceed the actual documented cost incurred, without markup, by the county or
- 487 municipality.
- 488 (5) (a) A special service district that provides jail service as provided in Subsection
- 489 [17D-1-201](#)(10) may not impose a fee or charge for the service it provides.
- 490 (b) Subsection (5)(a) may not be construed to limit a special service district that
- 491 provides jail service from:
- 492 (i) entering into a contract with the federal government, the state, or a political

493 subdivision of the state to provide jail service for compensation; or

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

496 Section 6. Section **17D-1-403** is amended to read:

497 **17D-1-403. Notice and plat to lieutenant governor -- Lieutenant governor**
498 **certification -- Recording requirements -- Effective date.**

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

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

502 (i) a copy of a notice of an impending boundary action, as defined in Section [67-1a-6.5](#),
503 that meets the requirements of Subsection [67-1a-6.5\(3\)](#); and

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

505 (b) upon the lieutenant governor's issuance of a certificate of annexation under Section
506 [67-1a-6.5](#), submit to the recorder of the county in which the special service district is located:

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

508 (ii) the original certificate of annexation;

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

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

511 (2) (a) Upon the lieutenant governor's issuance of the certificate of annexation under
512 Section [67-1a-6.5](#), the additional area that is the subject of the legislative body's resolution is
513 annexed to the special service district.

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

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

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

521 (B) the special service district may not:

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

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

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

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

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

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

535 Section 7. **Effective date.**

536 This bill takes effect on May 1, 2024.