1	INCORPORATION PROCESS FOR CITIES AND TOWNS
2	2015 GENERAL SESSION
3	STATE OF UTAH
4	Chief Sponsor: Melvin R. Brown
5	Senate Sponsor:
6 7	LONG TITLE
8	General Description:
9	This bill amends provisions in the city and town incorporation code.
10	Highlighted Provisions:
11	This bill:
12	 requires the lieutenant governor, rather than a county, to facilitate proceedings for
13	and pay for the expenses incurred from the incorporation of a city or town;
14	removes obsolete language;
15	 requires a newly incorporated city or town to reimburse the lieutenant governor for
16	incorporation expenses; and
17	 makes technical and conforming amendments.
18	Money Appropriated in this Bill:
19	None
20	Other Special Clauses:
21	This bill provides revisor instructions.
22	Utah Code Sections Affected:
23	AMENDS:
24	10-2-102, as last amended by Laws of Utah 2012, Chapter 359
25	10-2-103, as last amended by Laws of Utah 2000, Chapter 184
26	10-2-104, as last amended by Laws of Utah 2012, Chapter 359
27	10-2-105, as last amended by Laws of Utah 2012, Chapter 359



	10-2-106, as last amended by Laws of Utah 2012, Chapter 359
	10-2-107, as last amended by Laws of Utah 2000, Chapter 184
	10-2-108, as last amended by Laws of Utah 2012, Chapter 359
	10-2-109, as last amended by Laws of Utah 2012, Chapter 359
	10-2-110, as last amended by Laws of Utah 1997, Second Special Session, Chapter 3
	10-2-111, as last amended by Laws of Utah 2014, Chapter 158
	10-2-123, as enacted by Laws of Utah 1997, Chapter 389
	10-2-125, as last amended by Laws of Utah 2014, Chapter 189
	10-2-126, as last amended by Laws of Utah 2014, Chapter 189
	10-2-127, as last amended by Laws of Utah 2014, Chapter 158
	63I-2-210, as last amended by Laws of Utah 2014, Chapter 405
EN	NACTS:
	10-2-102.13, Utah Code Annotated 1953
	10-2-131, Utah Code Annotated 1953
Ut	ah Code Sections Affected by Revisor Instructions:
	10-2-102.13, Utah Code Annotated 1953
Ве	it enacted by the Legislature of the state of Utah:
	Section 1. Section 10-2-102 is amended to read:
	10-2-102. Incorporation of a contiguous area Governing provisions of city or
tov	wn incorporation.
	(1) A contiguous area of a county not within a municipality may incorporate as a
mι	inicipality as provided in this part.
	(2) (a) Incorporation as a city is governed by Sections 10-2-103 through 10-2-124.
	(b) Incorporation as a town is governed by Sections 10-2-125 through [10-2-129]
<u>10</u>	<u>-2-131</u> .
	Section 2. Section 10-2-102.13 is enacted to read:
	10-2-102.13. Feasibility study or petition to incorporate filed before May 12, 2015.
	(1) If a request for a feasibility study to incorporate a city is filed under Section
<u>10</u>	-2-103 before May 12, 2015, the request and a subsequent feasibility study, petition, public
he	aring, election, and any other city incorporation action applicable to that request shall be

59	filed with and be acted upon, held, processed, or paid for by the county legislative body or
60	county clerk, as applicable, as designated, directed, or authorized before this bill takes effect.
61	(2) If a petition to incorporate a town is filed under Section 10-2-125 before May 12,
62	2015, the petition and a subsequent feasibility study, petition, public hearing, election, and any
63	other town incorporation action applicable to that petition to incorporate, including a township
64	incorporation procedure as defined in Section 10-2-130, shall be filed with and be acted upon,
65	held, processed, or paid for by the county legislative body or county clerk, as applicable, as
66	designated, directed, or authorized before this bill takes effect.
67	Section 3. Section 10-2-103 is amended to read:
68	10-2-103. Request for feasibility study Requirements Limitations.
69	(1) The process to incorporate a contiguous area of a county as a city is initiated by a
70	request for a feasibility study filed with the [clerk of the county in which the area is located]
71	Office of the Lieutenant Governor.
72	(2) Each request under Subsection (1) shall:
73	(a) be signed by the owners of private real property that:
74	(i) is located within the area proposed to be incorporated;
75	(ii) covers at least 10% of the total private land area within the area; and
76	(iii) is equal in value to at least 7% of the value of all private real property within the
77	area;
78	(b) indicate the typed or printed name and current residence address of each owner
79	signing the request;
80	(c) describe the contiguous area proposed to be incorporated as a city;
81	(d) designate up to five signers of the request as sponsors, one of whom shall be
82	designated as the contact sponsor, with the mailing address and telephone number of each;
83	(e) be accompanied by and circulated with an accurate map or plat, prepared by a
84	licensed surveyor, showing the boundaries of the proposed city; and
85	(f) request the [county legislative body] lieutenant governor to commission a study to
86	determine the feasibility of incorporating the area as a city.
87	(3) A request for a feasibility study under this section may not propose for
88	incorporation an area that includes some or all of an area that is the subject of a completed
89	feasibility study or supplemental feasibility study whose results comply with Subsection

90	10-2-109(3) unless:

(a) the proposed incorporation that is the subject of the completed feasibility study or supplemental feasibility study has been defeated by the voters at an election under Section 10-2-111; or

- (b) the time provided under Subsection 10-2-109(1) for filing an incorporation petition based on the completed feasibility study or supplemental feasibility study has elapsed without the filing of a petition.
- (4) (a) Except as provided in Subsection (4)(b), a request under this section may not propose for incorporation an area that includes some or all of an area proposed for annexation in an annexation petition under Section 10-2-403 that:
 - (i) was filed before the filing of the request; and
 - (ii) is still pending on the date the request is filed.
- (b) Notwithstanding Subsection (4)(a), a request may propose for incorporation an area that includes some or all of an area proposed for annexation in an annexation petition described in Subsection (4)(a) if:
- (i) the proposed annexation area that is part of the area proposed for incorporation does not exceed 20% of the area proposed for incorporation;
- (ii) the request complies with Subsections (2) and (3) with respect to the area proposed for incorporation excluding the proposed annexation area; and
- (iii) excluding the area proposed for annexation from the area proposed for incorporation would not cause the area proposed for incorporation to lose its contiguousness.
- (c) Except as provided in Section 10-2-107, each request to which Subsection (4)(b) applies shall be considered as not proposing the incorporation of the area proposed for annexation.
- (5) At the time of filing the request for a feasibility study with the [county clerk] Office of the Lieutenant Governor, the sponsors of the request shall mail or deliver a copy of the request to the chair of the planning commission of each township in which any part of the area proposed for incorporation is located.
 - Section 4. Section 10-2-104 is amended to read:
- **10-2-104.** Notice to owner of property -- Exclusion of property from proposed boundaries.

121	(1) As used in this section:
122	(a) "Assessed value" with respect to property means the value at which the property
123	would be assessed without regard to a valuation for agricultural use under Section 59-2-503.
124	(b) "Owner" means a person having an interest in real property, including an affiliate,
125	subsidiary, or parent company.
126	(c) "Urban" means an area with a residential density of greater than one unit per acre.
127	(2) Within seven calendar days of the date on which a request under Section 10-2-103
128	is filed, the [county clerk] lieutenant governor shall send written notice of the proposed
129	incorporation to each record owner of real property owning more than:
130	(a) 1% of the assessed value of all property in the proposed incorporation boundaries;
131	or
132	(b) 10% of the total private land area within the proposed incorporation boundaries.
133	(3) If an owner owns, controls, or manages more than 1% of the assessed value of all
134	property in the proposed incorporation boundaries, or owns, controls, or manages 10% or more
135	of the total private land area in the proposed incorporation boundaries, the owner may exclude
136	all or part of the property owned, controlled, or managed by the owner from the proposed
137	boundaries by filing a Notice of Exclusion with the [county legislative body] Office of the
138	Lieutenant Governor within 15 calendar days of receiving the clerk's notice under Subsection
139	(2).
140	(4) The [county legislative body] lieutenant governor shall exclude the property
141	identified by an owner in the Notice of Exclusion from the proposed incorporation boundaries
142	unless the [county legislative body] lieutenant governor finds by clear and convincing evidence
143	in the record that:
144	(a) the exclusion will leave an unincorporated island within the proposed municipality;
145	and
146	(b) the property to be excluded:
147	(i) is urban; and
148	(ii) currently receives from the county a majority of municipal-type services including:
149	(A) culinary or irrigation water;

(B) sewage collection or treatment;

(C) storm drainage or flood control;

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152	(D) recreational facilities or parks;
153	(E) electric generation or transportation;
154	(F) construction or maintenance of local streets and roads;
155	(G) curb and gutter or sidewalk maintenance;
156	(H) garbage and refuse collection; and
157	(I) street lighting.
158	(5) This section applies only to counties of the first or second class.
159	(6) If the [county legislative body] lieutenant governor excludes property from the
160	proposed boundaries under Subsection (4), the [county legislative body] lieutenant governor
161	shall, within five days of the exclusion, send written notice of the exclusion to the contact
162	sponsor.
163	Section 5. Section 10-2-105 is amended to read:
164	10-2-105. Processing a request for incorporation Certification or rejection by
165	lieutenant governor Processing priority Limitations Township planning
166	commission recommendation.
167	(1) Within 45 days of the filing of a request under Section 10-2-103, the [county clerk]
168	lieutenant governor shall:
169	(a) with the assistance of other county officers of the county in which the incorporation
170	is proposed from whom the [elerk] lieutenant governor requests assistance, determine whether
171	the request complies with Section 10-2-103; and
172	(b) (i) if the [clerk] lieutenant governor determines that the request complies with
173	Section 10-2-103:
174	(A) certify the request [and deliver the certified request to the county legislative body];
175	and
176	(B) mail or deliver written notification of the certification to:
177	(I) the contact sponsor; and
178	(II) the chair of the planning commission of each township in which any part of the
179	area proposed for incorporation is located; or
180	(ii) if the [elerk] <u>lieutenant governor</u> determines that the request fails to comply with
181	Section 10-2-103 requirements, reject the request and notify the contact sponsor in writing of
182	the rejection and the reasons for the rejection.

183 (2) The [county clerk] lieutenant governor shall certify or reject requests under 184 Subsection (1) in the order in which they are filed. 185 (3) (a) (i) If the [county clerk] lieutenant governor rejects a request under Subsection 186 (1)(b)(ii), the request may be amended to correct the deficiencies for which it was rejected and 187 then refiled with the [county clerk] lieutenant governor. 188 (ii) A signature on a request under Section 10-2-103 may be used toward fulfilling the 189 signature requirement of Subsection 10-2-103(2)(a) for the request as modified under 190 Subsection (3)(a)(i). 191 (b) If a request is amended and refiled under Subsection (3)(a) after having been 192 rejected by the [county clerk] lieutenant governor under Subsection (1)(b)(ii), it shall be 193 considered as a newly filed request, and its processing priority is determined by the date on 194 which it is refiled. 195 Section 6. Section 10-2-106 is amended to read: 196 10-2-106. Feasibility study -- Feasibility study consultant. 197 (1) Within [60] 90 days of receipt of a certified request under Subsection 198 10-2-105(1)(b)(i), the [county legislative body] lieutenant governor shall engage the feasibility 199 consultant chosen under Subsection (2) to conduct a feasibility study. 200 (2) The feasibility consultant shall be chosen: 201 (a) (i) by the contact sponsor of the incorporation petition with the consent of the 202 [county] lieutenant governor; or 203 (ii) by the [county] lieutenant governor if the designated sponsors state, in writing, that 204 the contact sponsor defers selection of the feasibility consultant to the [county] lieutenant 205 governor; and 206 (b) in accordance with applicable [county] procurement procedures. (3) The [county legislative body] lieutenant governor shall require the feasibility 207 208 consultant to: 209 (a) complete the feasibility study and submit the written results to the lieutenant 210 governor, the county legislative body of the county in which the incorporation is proposed, and 211 the contact sponsor no later than 90 days after the feasibility consultant is engaged to conduct 212 the study;

(b) submit with the full written results of the feasibility study a summary of the results

214	no longer than one page in length; and
215	(c) attend the public hearings under Subsection 10-2-108(1) and present the feasibility
216	study results and respond to questions from the public at those hearings.
217	(4) (a) The feasibility study shall consider:
218	(i) population and population density within the area proposed for incorporation and
219	the surrounding area;
220	(ii) current and five-year projections of demographics and economic base in the
221	proposed city and surrounding area, including household size and income, commercial and
222	industrial development, and public facilities;
223	(iii) projected growth in the proposed city and in adjacent areas during the next five
224	years;
225	(iv) subject to Subsection (4)(b), the present and five-year projections of the cost,
226	including overhead, of governmental services in the proposed city, including:
227	(A) culinary water;
228	(B) secondary water;
229	(C) sewer;
230	(D) law enforcement;
231	(E) fire protection;
232	(F) roads and public works;
233	(G) garbage;
234	(H) weeds; and
235	(I) government offices;
236	(v) assuming the same tax categories and tax rates as currently imposed by the county
237	and all other current service providers, the present and five-year projected revenue for the
238	proposed city;
239	(vi) a projection of any new taxes per household that may be levied within the
240	incorporated area within five years of incorporation; and
241	(vii) the fiscal impact on unincorporated areas, other municipalities, local districts,
242	special service districts, and other governmental entities in the county.
243	(b) (i) For purposes of Subsection (4)(a)(iv), the feasibility consultant shall assume a
244	level and quality of governmental services to be provided to the proposed city in the future that

fairly and reasonably approximate the level and quality of governmental services being provided to the proposed city at the time of the feasibility study.

- (ii) In determining the present cost of a governmental service, the feasibility consultant shall consider:
- (A) the amount it would cost the proposed city to provide governmental service for the first five years after incorporation; and
- (B) the county's present and five-year projected cost of providing governmental service.
- (iii) The costs calculated under Subsection (4)(a)(iv), shall take into account inflation and anticipated growth.
- (5) If the five year projected revenues under Subsection (4)(a)(v) exceed the five year projected costs under Subsection (4)(a)(iv) by more than 5%, the feasibility consultant shall project and report the expected annual revenue surplus to the contact sponsor and the lieutenant governor.
- (6) If the results of the feasibility study or revised feasibility study do not meet the requirements of Subsection 10-2-109(3), the feasibility consultant shall, as part of the feasibility study or revised feasibility study and if requested by the sponsors of the request, make recommendations as to how the boundaries of the proposed city may be altered so that the requirements of Subsection 10-2-109(3) may be met.
- [(7) (a) For purposes of this Subsection (7), "pending" means that the process to incorporate an unincorporated area has been initiated by the filing of a request for feasibility study under Section 10-2-103 but that, as of May 8, 2012, a petition under Section 10-2-109 has not yet been filed.]
- [(b) The amendments to Subsection (4) that become effective upon the effective date of this Subsection (7):]
- [(i) apply to each pending proceeding proposing the incorporation of an unincorporated area; and]
- [(ii) do not apply to a municipal incorporation proceeding under this part in which a petition under Section 10-2-109 has been filed.]
- [(c) (i) If, in a pending incorporation proceeding, the feasibility consultant has, as of May 8, 2012, already completed the feasibility study, the county legislative body shall, within

20 days after the effective date of this Subsection (7) and except as provided in Subsection
(7)(c)(iii), engage the feasibility consultant to revise the feasibility study to take into account
the amendments to Subsection (4) that became effective on the effective date of this Subsection
(7).]
[(ii) Except as provided in Subsection (7)(c)(iii), the county legislative body shall
require the feasibility consultant to complete the revised feasibility study under Subsection
(7)(c)(i) within 20 days after being engaged to do so.]
[(iii) Notwithstanding Subsections (7)(c)(i) and (ii), a county legislative body is not
required to engage the feasibility consultant to revise the feasibility study if, within 15 days
after the effective date of this Subsection (7), the request sponsors file with the county clerk a
written withdrawal of the request signed by all the request sponsors.]
[(d) All provisions of this part that set forth the incorporation process following the
completion of a feasibility study shall apply with equal force following the completion of a
revised feasibility study under this Subsection (7), except that, if a petition under Section
10-2-109 has already been filed based on the feasibility study that is revised under this
Subsection (7):]
[(i) the notice required by Section 10-2-108 for the revised feasibility study shall
include a statement informing signers of the petition of their right to withdraw their signatures
from the petition and of the process and deadline for withdrawing a signature from the
petition;]
[(ii) a signer of the petition may withdraw the signer's signature by filing with the
county clerk a written withdrawal within 30 days after the final notice under Subsection
10-2-108(3) has been given with respect to the revised feasibility study; and]
[(iii) unless withdrawn, a signature on the petition may be used toward fulfilling the
signature requirements under Subsection 10-2-109(2)(a) for a petition based on the revised
feasibility study.]
Section 7. Section 10-2-107 is amended to read:
10-2-107. Modified request for feasibility study Supplemental feasibility study.
(1) (a) (i) The sponsors of a request may modify the request to alter the boundaries of
the proposed city and then refile the request, as modified, with the [county clerk] lieutenant
governor if:

307	(A) the results of the feasibility study do not meet the requirements of Subsection
308	10-2-109(3); or
309	(B) (I) the request meets the conditions of Subsection 10-2-103(4)(b);
310	(II) the annexation petition that proposed the annexation of an area that is part of the
311	area proposed for incorporation has been denied; and
312	(III) an incorporation petition based on the request has not been filed.
313	(ii) (A) A modified request under Subsection (1)(a)(i)(A) may not be filed more than
314	90 days after the feasibility consultant's submission of the results of the study.
315	(B) A modified request under Subsection (1)(a)(i)(B) may not be filed more than 18
316	months after the filing of the original request under Section 10-2-103.
317	(b) (i) Subject to Subsection (1)(b)(ii), each modified request under Subsection (1)(a)
318	shall comply with the requirements of Subsections 10-2-103(2), (3), (4), and (5).
319	(ii) Notwithstanding Subsection (1)(b)(i), a signature on a request filed under Section
320	10-2-103 may be used toward fulfilling the signature requirement of Subsection 10-2-103(2)(a)
321	for the request as modified under Subsection (1)(a), unless the modified request proposes the
322	incorporation of an area that is more than 20% greater or smaller than the area described by the
323	original request in terms of:
324	(A) private land area; or
325	(B) value of private real property.
326	(2) Within 20 days after the [county clerk's] lieutenant governor's receipt of the
327	modified request, the [county clerk] lieutenant governor shall follow the same procedure for
328	the modified request as provided under Subsection 10-2-105(1) for an original request.
329	(3) The timely filing of a modified request under Subsection (1) gives the modified
330	request the same processing priority under Subsection 10-2-105(2) as the original request.
331	(4) Within 10 days after the [county legislative body's] lieutenant governor's receipt of
332	a certified modified request under Subsection (1)(a)(i)(A) or a certified modified request under
333	Subsection (1)(a)(i)(B) that was filed after the completion of a feasibility study on the original
334	request, the [county legislative body] lieutenant governor shall commission the feasibility
335	consultant who conducted the feasibility study to supplement the feasibility study to take into
336	account the information in the modified request that was not included in the original request.
337	(5) The [county legislative body] lieutenant governor shall require the feasibility

consultant to complete the supplemental feasibility study and to submit written results of the
supplemental study to the [county legislative body] lieutenant governor and to the contact
sponsor no later than 30 days after the feasibility consultant is commissioned to conduct the
supplemental feasibility study.
(6) (a) Subject to Subsection (6)(b), if the results of the supplemental feasibility study
do not meet the requirements of Subsection 10-2-109(3):
(i) the sponsors may file a further modified request as provided in Subsection (1); and
(ii) Subsections (2), (4), and (5) apply to a further modified request under Subsection
(6)(a)(i).
(b) A further modified request under Subsection (6)(a) shall, for purposes of its
processing priority, be considered as an original request for a feasibility study under Section
10-2-103.
Section 8. Section 10-2-108 is amended to read:
10-2-108. Public hearings on feasibility study results Notice of hearings.
(1) If the results of the feasibility study or supplemental feasibility study meet the
requirements of Subsection 10-2-109(3), the [county legislative body] lieutenant governor
shall, [at its next regular meeting] after receipt of the results of the feasibility study or
supplemental feasibility study, schedule at least two public hearings to be held:
(a) within the following 60 days after receipt of the results;
(b) at least seven days apart;
(c) in geographically diverse locations within the proposed city; and
(d) for the purpose of allowing:
(i) the feasibility consultant to present the results of the study; and
(ii) the public to become informed about the feasibility study results and to ask
questions about those results of the feasibility consultant.
(2) At a public hearing described in Subsection (1), the [county legislative body]
lieutenant governor shall:
(a) provide a map or plat of the boundary of the proposed city;
(b) provide a copy of the feasibility study for public review; and
(c) allow the public to express its views about the proposed incorporation, including its
view about the proposed boundary.

369	(3) (a) (i) The [county clerk] lieutenant governor shall publish notice of the public
370	hearings required under Subsection (1):
371	(A) at least once a week for three successive weeks in a newspaper of general
372	circulation within the proposed city; and
373	(B) on the Utah Public Notice Website created in Section 63F-1-701, for three weeks.
374	(ii) The last publication of notice required under Subsection (3)(a)(i)(A) shall be at
375	least three days before the first public hearing required under Subsection (1).
376	(b) (i) If, under Subsection (3)(a)(i)(A), there is no newspaper of general circulation
377	within the proposed city, the [county clerk] lieutenant governor shall post at least one notice of
378	the hearings per 1,000 population in conspicuous places within the proposed city that are most
379	likely to give notice of the hearings to the residents of the proposed city.
380	(ii) The [clerk] lieutenant governor shall post the notices under Subsection (3)(b)(i) at
381	least seven days before the first hearing under Subsection (1).
382	(c) The notice under Subsections (3)(a) and (b) shall include the feasibility study
383	summary under Subsection 10-2-106(3)(b) and shall indicate that a full copy of the study is
384	available for inspection and copying at the [office of the county clerk] Office of the Lieutenant
385	Governor.
386	(d) The lieutenant governor shall post a copy of the feasibility study on the lieutenant
387	governor's website and make a copy available for public review at the Office of the Lieutenant
388	Governor.
389	Section 9. Section 10-2-109 is amended to read:
390	10-2-109. Incorporation petition Requirements and form.
391	(1) At any time within one year of the completion of the public hearings required under
392	Subsection 10-2-108(1), a petition for incorporation of the area proposed to be incorporated as
393	a city may be filed in the [office of the clerk of the county in which the area is located] Office
394	of the Lieutenant Governor.
395	(2) Each petition under Subsection (1) shall:
396	(a) be signed by:
397	(i) 10% of all registered voters within the area proposed to be incorporated as a city,

according to the official voter registration list maintained by the county on the date the petition

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is filed; and

(ii) 10% of all registered voters within, subject to Subsection (5), 90% of the voting precincts within the area proposed to be incorporated as a city, according to the official voter registration list maintained by the county on the date the petition is filed;

- (b) indicate the typed or printed name and current residence address of each owner signing the petition;
- (c) describe the area proposed to be incorporated as a city, as described in the feasibility study request or modified request that meets the requirements of Subsection (3);
 - (d) state the proposed name for the proposed city;

- (e) designate five signers of the petition as petition sponsors, one of whom shall be designated as the contact sponsor, with the mailing address and telephone number of each;
- (f) state that the signers of the petition appoint the sponsors, if the incorporation measure passes, to represent the signers in the process of:
 - (i) selecting the number of commission or council members the new city will have; and
- (ii) drawing district boundaries for the election of commission or council members, if the voters decide to elect commission or council members by district;
- (g) be accompanied by and circulated with an accurate plat or map, prepared by a licensed surveyor, showing the boundaries of the proposed city; and
 - (h) substantially comply with and be circulated in the following form:
- PETITION FOR INCORPORATION OF (insert the proposed name of the proposed city)

To the Honorable [County Legislative Body of (insert the name of the county in which the proposed city is located) County, Utah] Lieutenant Governor:

We, the undersigned owners of real property within the area described in this petition, respectfully petition the <u>lieutenant governor to direct the</u> county legislative body to submit to the registered voters residing within the area described in this petition, at the next regular general election, the question of whether the area should incorporate as a city. Each of the undersigned affirms that each has personally signed this petition and is an owner of real property within the described area, and that the current residence address of each is correctly written after the signer's name. The area proposed to be incorporated as a city is described as follows: (insert an accurate description of the area proposed to be incorporated).

(3) A petition for incorporation of a city under Subsection (1) may not be filed unless

431	the results of the feasibility study or supplemental feasibility study show that the average
432	annual amount of revenue under Subsection 10-2-106(4)(a)(v) does not exceed the average
433	annual amount of cost under Subsection 10-2-106(4)(a)(iv) by more than 5%.
434	(4) A signature on a request under Section 10-2-103 or a modified request under
435	Section 10-2-107 may be used toward fulfilling the signature requirement of Subsection (2)(a):
436	(a) if the request under Section 10-2-103 or modified request under Section 10-2-107
437	notified the signer in conspicuous language that the signature, unless withdrawn, would also be
438	used for purposes of a petition for incorporation under this section; and
439	(b) unless the signer files with the [county clerk] lieutenant governor a written
440	withdrawal of the signature before the petition under this section is filed with the [clerk]
441	lieutenant governor.
442	(5) (a) A signature does not qualify as a signature to meet the requirement described in
443	Subsection (2)(a)(ii) if the signature is gathered from a voting precinct that:
444	(i) is not located entirely within the boundaries of the proposed city; or
445	(ii) includes less than 50 registered voters.
446	(b) A voting precinct that is not located entirely within the boundaries of the proposed
447	city does not qualify as a voting precinct to meet the precinct requirements of Subsection
448	(2)(a)(ii).
449	Section 10. Section 10-2-110 is amended to read:
450	10-2-110. Processing of petition by lieutenant governor Certification or
451	rejection Processing priority.
452	(1) Within 45 days of the filing of a petition under Section 10-2-109, the [county clerk]
453	lieutenant governor shall:
454	(a) with the assistance of other county officers of the county in which the incorporation
455	is proposed from whom the [elerk] lieutenant governor requests assistance, determine whether
456	the petition meets the requirements of Section 10-2-109; and
457	(b) (i) if the [elerk] lieutenant governor determines that the petition meets those
458	requirements, certify the petition[, deliver it to the county legislative body,] and notify in
459	writing the contact sponsor of the certification; or
460	(ii) if the [clerk] lieutenant governor determines that the petition fails to meet any of
461	those requirements, reject the petition and notify the contact sponsor in writing of the rejection

and the reasons for the rejection.

- (2) (a) If the [county clerk] <u>lieutenant governor</u> rejects a petition under Subsection (1)(b)(ii), the petition may be modified to correct the deficiencies for which it was rejected and then refiled with the [county clerk] <u>lieutenant governor</u>.
- (b) A modified petition under Subsection (2)(a) may be filed at any time until 30 days after the [county clerk] lieutenant governor notifies the contact sponsor under Subsection (1)(b)(ii), even though the modified petition is filed after the expiration of the deadline provided in Subsection 10-2-109(1).
- (c) A signature on an incorporation petition under Section 10-2-109 may be used toward fulfilling the signature requirement of Subsection 10-2-109(2)(a) for the petition as modified under Subsection (2)(a).
- (3) (a) Within 20 days of the [county clerk's] <u>lieutenant governor's</u> receipt of a modified petition under Subsection (2)(a), the [county clerk] <u>lieutenant governor</u> shall follow the same procedure for the modified petition as provided under Subsection (1) for an original petition.
- (b) If [a county clerk] the lieutenant governor rejects a modified petition under Subsection (1)(b)(ii), no further modification of that petition may be filed.
 - Section 11. Section **10-2-111** is amended to read:

10-2-111. Incorporation election.

- (1) (a) Upon receipt of a certified petition under Subsection 10-2-110(1)(b)(i) or a certified modified petition under Subsection 10-2-110(3), the [county legislative body] lieutenant governor shall:
 - (i) determine and set an election date for the incorporation election that is:
- [(i)] (A) on a general election date under Section 20A-1-201[;] or [(B)] on a local special election date under Section 20A-1-203; and
- [(ii)] (B) at least 65 days after the day that the [legislative body] lieutenant governor receives the certified petition[-]; and
- (ii) direct the county legislative body of the county in which the incorporation is proposed to hold the election on the date determined by the lieutenant governor in accordance with Subsection (1)(a)(i).
- (b) The county shall hold the election as directed by the lieutenant governor in

493	accordance with Subsection (1)(a)(n).
494	[(b)] (c) Unless a person is a registered voter who resides, as defined in Section
495	20A-1-102, within the boundaries of the proposed city, the person may not vote on the
496	proposed incorporation.
497	(2) (a) The county clerk shall publish notice of the election:
498	(i) in a newspaper of general circulation within the area proposed to be incorporated at
499	least once a week for three successive weeks; and
500	(ii) in accordance with Section 45-1-101 for three weeks.
501	(b) The notice required by Subsection (2)(a) shall contain:
502	(i) a statement of the contents of the petition;
503	(ii) a description of the area proposed to be incorporated as a city;
504	(iii) a statement of the date and time of the election and the location of polling places;
505	and
506	(iv) the feasibility study summary under Subsection 10-2-106(3)(b) and a statement
507	that a full copy of the study is available for inspection and copying at the [office of the county
508	clerk] Office of the Lieutenant Governor.
509	(c) The last publication of notice required under Subsection (2)(a) shall occur at least
510	one day but no more than seven days before the election.
511	(d) (i) In accordance with Subsection (2)(a)(i), if there is no newspaper of general
512	circulation within the proposed city, the county clerk shall post at least one notice of the
513	election per 1,000 population in conspicuous places within the proposed city that are most
514	likely to give notice of the election to the voters of the proposed city.
515	(ii) The clerk shall post the notices under Subsection (2)(d)(i) at least seven days before
516	the election under Subsection (1).
517	(3) If a majority of those casting votes within the area boundaries of the proposed city
518	vote to incorporate as a city, the area shall incorporate.
519	Section 12. Section 10-2-123 is amended to read:
520	10-2-123. Costs of city incorporation Fees established by lieutenant governor.
521	(1) [Subject to Subsection (2), all costs of the] (a) The lieutenant governor shall
522	establish a fee in accordance with Section 63J-1-504 for a cost incurred by the lieutenant
523	governor for an incorporation proceeding, including:

524	(i) a request certification[-;];
525	(ii) a feasibility study[;];
526	(iii) a petition certification[;];
527	(iv) publication of notices[;];
528	(v) public hearings[, and elections, shall be paid by the county in which the proposed
529	city is located.];
530	[(2) If incorporation occurs, the new municipality shall reimburse the county for the
531	costs of the notices and hearing under Section 10-2-114, the notices and elections under
532	Section 10-2-116, and]
533	(vi) all other incorporation activities occurring after the elections [under Section
534	10-2-116.]; and
535	(vii) any other cost incurred by the lieutenant governor in relation to an incorporation
536	proceeding.
537	(b) A cost under Subsection (1)(a) does not include a cost incurred by a county for
538	holding an election under Section 10-2-111.
539	(2) Subject to Subsection (3)(a), the lieutenant governor shall, by supplemental
540	appropriations, pay for a cost described in Subsections (1)(a)(i) through (vii).
541	(3) If incorporation occurs, the new city shall pay:
542	(a) to the lieutenant governor each fee established under Subsection (1) for each
543	incurred cost described in Subsections (1)(a)(i) through (vii); and
544	(b) the county for a cost described in Subsection (1)(b).
545	Section 13. Section 10-2-125 is amended to read:
546	10-2-125. Incorporation of a town Petition.
547	(1) As used in this section:
548	(a) "Assessed value," with respect to agricultural land, means the value at which the
549	land would be assessed without regard to a valuation for agricultural use under Section
550	59-2-503.
551	[(c)] <u>(b)</u> "Feasibility consultant" means a person or firm:
552	[(b)] (c) "Financial feasibility study" means a study described in Subsection (7).
553	(i) with expertise in the processes and economics of local government; and
554	(ii) who is independent of and not affiliated with a county or sponsor of a petition to

H.B. 245 555 incorporate. 556 (d) "Municipal service" means a publicly provided service that is not provided on a 557 countywide basis. 558 (e) "Nonurban" means having a residential density of less than one unit per acre. 559 (2) (a) (i) A contiguous area of a county not within a municipality, with a population of 560 at least 100 but less than 1,000, may incorporate as a town as provided in this section. 561 (ii) An area within a county of the first class is not contiguous for purposes of 562 Subsection (2)(a)(i) if: 563 (A) the area includes a strip of land that connects geographically separate areas; and 564 (B) the distance between the geographically separate areas is greater than the average 565 width of the strip of land connecting the geographically separate areas. 566 (b) The population figure under Subsection (2)(a) shall be determined: 567 (i) as of the date the incorporation petition is filed; and (ii) by the Utah Population Estimates Committee within 20 days after the county clerk's 568 569 certification under Subsection (6) of a petition filed under Subsection (4). 570 (3) (a) The process to incorporate an area as a town is initiated by filing a petition to 571 incorporate the area as a town with the [clerk of the county in which the area is located] Office 572 of the Lieutenant Governor. 573 (b) A petition under Subsection (3)(a) shall: 574 (i) be signed by: 575 (A) the owners of private real property that: 576 (I) is located within the area proposed to be incorporated; and 577 (II) is equal in assessed value to more than 1/5 of the assessed value of all private real 578 property within the area; and 579 (B) 1/5 of all registered voters within the area proposed to be incorporated as a town, 580 according to the official voter registration list maintained by the county on the date the petition 581 is filed;

each owner signing as a sponsor; (iii) be accompanied by and circulated with an accurate map or plat, prepared by a

(ii) designate as sponsors at least five of the property owners who have signed the

petition, one of whom shall be designated as the contact sponsor, with the mailing address of

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licensed surveyor, showing a legal description of the boundary of the proposed town; and

(iv) substantially comply with and be circulated in the following form:

PETITION FOR INCORPORATION OF (insert the proposed name of the proposed town)

To the Honorable [County Legislative Body of (insert the name of the county in which the proposed town is located) County, Utah] Lieutenant Governor:

We, the undersigned owners of real property and registered voters within the area described in this petition, respectfully petition the <u>lieutenant governor to direct the</u> county legislative body to submit to the registered voters residing within the area described in this petition, at the next regular general election, the question of whether the area should incorporate as a town. Each of the undersigned affirms that each has personally signed this petition and is an owner of real property or a registered voter residing within the described area, and that the current residence address of each is correctly written after the signer's name. The area proposed to be incorporated as a town is described as follows: (insert an accurate description of the area proposed to be incorporated).

- (c) A petition under this Subsection (3) may not describe an area that includes some or all of an area proposed for annexation in an annexation petition under Section 10-2-403 that:
 - (i) was filed before the filing of the petition; and

- (ii) is still pending on the date the petition is filed.
- (d) A petition may not be filed under this section if the private real property owned by the petition sponsors, designated under Subsection (3)(b)(ii), cumulatively exceeds 40% of the total private land area within the area proposed to be incorporated as a town.
- (e) A signer of a petition under this Subsection (3) may withdraw or, after withdrawn, reinstate the signer's signature on the petition:
- (i) at any time until the [county clerk] <u>lieutenant governor</u> certifies the petition under Subsection (5); and
- (ii) by filing a signed, written withdrawal or reinstatement with the [county clerk] lieutenant governor.
- (4) (a) If a petition is filed under Subsection (3)(a) proposing to incorporate as a town an area located within a county of the first class, the [county clerk] lieutenant governor shall deliver written notice of the proposed incorporation:

617	(i) to each owner of private real property owning more than 1% of the assessed value
618	of all private real property within the area proposed to be incorporated as a town; and
619	(ii) within seven calendar days after the date on which the petition is filed.
620	(b) A private real property owner described in Subsection (4)(a)(i) may exclude all or
621	part of the owner's property from the area proposed to be incorporated as a town by filing a
622	notice of exclusion:
623	(i) with the [county clerk] lieutenant governor; and
624	(ii) within 10 calendar days after receiving the clerk's notice under Subsection (4)(a).
625	(c) The [county legislative body] lieutenant governor shall exclude from the area
626	proposed to be incorporated as a town the property identified in the notice of exclusion under
627	Subsection (4)(b) if:
628	(i) the property:
629	(A) is nonurban; and
630	(B) does not and will not require a municipal service; and
631	(ii) exclusion will not leave an unincorporated island within the proposed town.
632	(d) If the [county legislative body] lieutenant governor excludes property from the area
633	proposed to be incorporated as a town, the [county legislative body] lieutenant governor shall
634	send written notice of the exclusion to the contact sponsor within five days after the exclusion.
635	(5) No later than 20 days after the filing of a petition under Subsection (3), the [county
636	elerk] lieutenant governor shall:
637	(a) with the assistance of other county officers of the county in which the incorporation
638	is proposed from whom the [clerk] lieutenant governor requests assistance, determine whether
639	the petition complies with the requirements of Subsection (3); and
640	(b) (i) if the [clerk] lieutenant governor determines that the petition complies with
641	those requirements:
642	(A) certify the petition [and deliver the certified petition to the county legislative
643	body]; and
644	(B) mail or deliver written notification of the certification to:
645	(I) the contact sponsor;
646	(II) if applicable, the chair of the planning commission of each township in which any
647	part of the area proposed for incorporation is located; and

648	(III) the Utah Population Estimates Committee; or
649	(ii) if the [clerk] lieutenant governor determines that the petition fails to comply with
650	any of those requirements, reject the petition and notify the contact sponsor in writing of the
651	rejection and the reasons for the rejection.
652	(6) (a) (i) A petition that is rejected under Subsection (5)(b)(ii) may be amended to
653	correct a deficiency for which it was rejected and then refiled with the [county clerk] lieutenant
654	governor.

- (ii) A valid signature on a petition filed under Subsection (3)(a) may be used toward fulfilling the signature requirement of Subsection (3)(b) for the same petition that is amended under Subsection (6)(a)(i) and then refiled with the [county clerk] lieutenant governor.
- (b) If a petition is amended and refiled under Subsection (6)(a)(i) after having been rejected by the [county clerk] lieutenant governor under Subsection (5)(b)(ii):
 - (i) the amended petition shall be considered as a newly filed petition; and
- (ii) the amended petition's processing priority is determined by the date on which it is refiled.
- (7) (a) (i) [The legislative body of a county with which] If a petition is filed under Subsection (4) and certified under Subsection (6), the lieutenant governor shall commission and pay for a financial feasibility study.
 - (ii) The feasibility consultant shall be chosen:

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- (A) (I) by the contact sponsor of the incorporation petition, as described in Subsection (3)(b)(ii), with the consent of the [county] lieutenant governor; or
- (II) by the [county] <u>lieutenant governor</u> if the contact sponsor states, in writing, that the sponsor defers selection of the feasibility consultant to the [county] <u>lieutenant governor</u>; and
 - (B) in accordance with applicable [county] procurement procedure.
- (iii) The [county legislative body] <u>lieutenant governor</u> shall require the feasibility consultant to complete the financial feasibility study and submit written results of the study to the [county legislative body] <u>lieutenant governor</u> no later than 30 days after the feasibility consultant is engaged to conduct the financial feasibility study.
 - (b) The financial feasibility study shall consider the:
- (i) population and population density within the area proposed for incorporation and the surrounding area;

679 (ii) current and five-year projections of demographics and economic base in the 680 proposed town and surrounding area, including household size and income, commercial and 681 industrial development, and public facilities; 682 (iii) projected growth in the proposed town and in adjacent areas during the next five 683 years; 684 (iv) subject to Subsection (7)(c), the present and five-year projections of the cost, 685 including overhead, of governmental services in the proposed town, including: 686 (A) culinary water; 687 (B) secondary water; 688 (C) sewer; 689 (D) law enforcement; 690 (E) fire protection; 691 (F) roads and public works; 692 (G) garbage; 693 (H) weeds; and 694 (I) government offices; 695 (v) assuming the same tax categories and tax rates as currently imposed by the county 696 and all other current service providers, the present and five-year projected revenue for the 697 proposed town; and 698 (vi) a projection of any new taxes per household that may be levied within the 699 incorporated area within five years of incorporation. 700 (c) (i) For purposes of Subsection (7)(b)(iv), the feasibility consultant shall assume a 701 level and quality of governmental services to be provided to the proposed town in the future 702 that fairly and reasonably approximate the level and quality of governmental services being 703 provided to the proposed town at the time of the feasibility study. 704 (ii) In determining the present cost of a governmental service, the feasibility consultant 705 shall consider: 706 (A) the amount it would cost the proposed town to provide governmental service for 707 the first five years after incorporation; and 708 (B) the county's present and five-year projected cost of providing governmental

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service.

710 (iii) The costs calculated under Subsection (7)(b)(iv), shall take into account inflation 711 and anticipated growth. 712 (d) If the five year projected revenues under Subsection (7)(b)(v) exceed the five-year 713 projected costs under Subsection (7)(b)(iv) by more than 10%, the feasibility consultant shall 714 project and report the expected annual revenue surplus to the contact sponsor and the lieutenant 715 governor. 716 (e) The lieutenant governor shall post a copy of the feasibility study on the lieutenant 717 governor's website and make a copy available for public review at the Office of the Lieutenant 718 Governor. 719 [(e)] (f) The [county legislative body] lieutenant governor shall approve a certified petition proposing the incorporation of a town and hold a public hearing as provided in Section 720 721 10-2-126. 722 Section 14. Section 10-2-126 is amended to read: 10-2-126. Incorporation of town -- Public hearing on feasibility. 723 724 (1) If, in accordance with Section 10-2-125, the [county clerk] lieutenant governor 725 certifies a petition for incorporation or an amended petition for incorporation, the [county legislative body lieutenant governor shall, [at its next regular meeting] after completion of the 726 727 feasibility study, schedule a public hearing to: 728 (a) be held no later than 60 days after the day on which the feasibility study is 729 completed; and 730 (b) consider, in accordance with Subsection (3)(b), the feasibility of incorporation for 731 the proposed town. 732 (2) (a) The [county legislative body] lieutenant governor shall give notice of the public 733 hearing on the proposed incorporation by: 734 (a) posting notice of the public hearing on the county's Internet website, if the county 735 has an Internet website; 736 [(b)] (i) (A) publishing notice of the public hearing at least once a week for two 737 consecutive weeks in a newspaper of general circulation within the proposed town; or 738 [(ii)] (B) if there is no newspaper of general circulation within the proposed town, 739 posting notice of the public hearing in at least five conspicuous public places within the 740 proposed town; and

741	[(c)] (ii) publishing notice of the public hearing on the Utah Public Notice Website
742	created in Section 63F-1-701.
743	(b) The county in which the incorporation is proposed shall post the notice described in
744	Subsection (2)(a)(ii) on the county's website, if the county has an website, for at least two
745	consecutive weeks before the day of the public hearing.
746	(3) At the public hearing scheduled in accordance with Subsection (1), the [county
747	legislative body] lieutenant governor shall:
748	(a) (i) provide a copy of the feasibility study; and
749	(ii) present the results of the feasibility study to the public; and
750	(b) allow the public to:
751	(i) review the map or plat of the boundary of the proposed town;
752	(ii) ask questions and become informed about the proposed incorporation; and
753	(iii) express its views about the proposed incorporation, including their views about the
754	boundary of the area proposed to be incorporated.
755	(4) A county <u>under the direction of the lieutenant governor</u> may not hold an election on
756	the incorporation of a town in accordance with Section 10-2-127 if the results of the feasibility
757	study show that the five-year projected revenues under Subsection 10-2-125(7)(b)(v) exceed
758	the five-year projected costs under Subsection 10-2-125(7)(b)(iv) by more than 10%.
759	Section 15. Section 10-2-127 is amended to read:
760	10-2-127. Incorporation of town Election to incorporate Ballot form.
761	(1) (a) Upon receipt of a certified petition [under Subsection 10-2-110(1)(b)(i)] or a
762	certified [modified] amended petition under [Subsection 10-2-110(3)] Section 10-2-125, the
763	[county legislative body] lieutenant governor shall:
764	(i) determine and set an election date for the incorporation election that is:
765	[(i)] (A) on a general election date under Section 20A-1-201[;] or [(B)] on a local
766	special election date under Section 20A-1-203; and
767	[(ii)] (B) at least 65 days after the day that the legislative body receives the certified
768	petition[-]; and
769	(ii) direct the county legislative body of the county in which the incorporation is
770	proposed to hold the election on the date determined by the lieutenant governor in accordance
771	with Subsection (1)(a)(i).

772 (b) The county shall hold the election as directed by the lieutenant governor in accordance with Subsection (1)(a)(ii).

- [(b)] (c) Unless a person is a registered voter who resides, as defined in Section 20A-1-102, within the boundaries of the proposed town, the person may not vote on the proposed incorporation.
 - (2) (a) The county clerk shall publish notice of the election:
- 778 (i) in a newspaper of general circulation, within the area proposed to be incorporated, 779 at least once a week for three successive weeks; and
 - (ii) in accordance with Section 45-1-101 for three weeks.
- 781 (b) The notice required by Subsection (2)(a) shall contain:
 - (i) a statement of the contents of the petition;

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- (ii) a description of the area proposed to be incorporated as a town;
- 784 (iii) a statement of the date and time of the election and the location of polling places; 785 and
 - (iv) the [county] <u>lieutenant governor's</u> Internet website address, if applicable, and the address of the [county office] <u>Office of the Lieutenant Governor</u> where the feasibility study is available for review.
 - (c) The last publication of notice required under Subsection (2)(a) shall occur at least one day but no more than seven days before the election.
 - (d) (i) In accordance with Subsection (2)(a)(i), if there is no newspaper of general circulation within the proposed town, the county clerk shall post at least one notice of the election per 100 population in conspicuous places within the proposed town that are most likely to give notice of the election to the voters of the proposed town.
 - (ii) The clerk shall post the notices under Subsection (2)(d)(i) at least seven days before the election under Subsection (1)(a).
 - (3) The ballot at the incorporation election shall pose the incorporation question substantially as follows:

Shall the area described as (insert a description of the proposed town) be incorporated as the town of (insert the proposed name of the proposed town)?

(4) The ballot shall provide a space for the voter to answer yes or no to the question in Subsection (3).

803	(5) If a majority of those casting votes within the area boundaries of the proposed town
804	vote to incorporate as a town, the area shall incorporate.
805	Section 16. Section 10-2-131 is enacted to read:
806	10-2-131. Costs of town incorporation Fees established by lieutenant governor.
807	(1) (a) The lieutenant governor shall establish a fee in accordance with Section
808	63J-1-504 for a cost of an incorporation proceeding, including:
809	(i) a request certification;
810	(ii) a feasibility study;
811	(iii) a petition certification;
812	(iv) publication of notices;
813	(v) public hearings;
814	(vi) all other incorporation activities occurring after the elections; and
815	(vii) any other cost incurred by the lieutenant govern or in relation to an incorporation
816	proceeding.
817	(b) A cost under Subsection (1)(a) does not include a cost incurred by a county for
818	holding an election under Section 10-2-127.
819	(2) Subject to Subsection (3)(a), the lieutenant governor shall, by supplemental
820	appropriations, pay for a cost described in Subsections (1)(a)(i) through (vii).
821	(3) If incorporation occurs, the new town shall pay:
822	(a) to the lieutenant governor each fee established under Subsection (1) for each
823	incurred cost described in Subsections (1)(a)(i) through (vii); and
824	(b) the county for a cost described in Subsection (1)(b).
825	Section 17. Section 63I-2-210 is amended to read:
826	63I-2-210. Repeal dates Title 10.
827	(1) Subsection 10-2-102.13(2), the language that states ", including a township
828	incorporation procedure as defined in Section 10-2-130," is repealed July 1, 2016.
829	[(1)] <u>(2)</u> Section 10-2-130 is repealed July 1, 2016.
830	[(2)] (3) Subsection 10-9a-305(2) is repealed July 1, 2013.
831	Section 18. Revisor instructions.
832	The Legislature intends that the Office of Legislative Research and General Counsel, in
833	preparing the Utah Code database for publication, replace the references in Subsections

834 <u>10-2-102.13(1)</u> and (2) from "this bill" to the bill's designated chapter number in the Laws of

835 <u>Utah.</u>

Legislative Review Note as of 1-16-15 12:56 PM

Office of Legislative Research and General Counsel