

**USE OF PAYMENT IN LIEU OF TAXES FUNDS**

2012 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Casey O. Anderson**

House Sponsor: \_\_\_\_\_

---

---

**LONG TITLE**

**General Description:**

This bill requires a county to fund municipal-type services with funds received in payment in lieu of taxes.

**Highlighted Provisions:**

This bill:

- ▶ requires a county to fund municipal-type services with funds received in payment in lieu of taxes; and
- ▶ makes technical corrections.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**17-34-3**, as last amended by Laws of Utah 2008, Chapters 61, 231, and 236

---

---

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

Section 1. Section **17-34-3** is amended to read:

**17-34-3. Taxes or service charges.**

(1) (a) If a county furnishes the municipal-type services and functions described in



28 Section 17-34-1 to areas of the county outside the limits of incorporated cities or towns, the  
29 county shall, to the extent possible, defray the entire cost of the services or functions [so  
30 furnished shall be defrayed from] with funds that the county has [derived from:] received in  
31 payment in lieu of taxes.

32 (b) If after defraying costs in accordance with Subsection (1)(a) the county has a  
33 balance of municipal-type services or functions expenses, the county shall defray the additional  
34 costs from funds that the county has derived from:

- 35 (i) taxes that the county may lawfully levy or impose outside the limits of incorporated
- 36 towns or cities;
- 37 (ii) service charges or fees the county may impose upon the persons benefited in any
- 38 way by the services or functions; or
- 39 (iii) a combination of these sources.

40 ~~[(b)]~~ (c) As the taxes or service charges or fees are levied and collected, they shall be  
41 placed in a special revenue fund of the county and shall be disbursed only for the rendering of  
42 the services or functions established in Section 17-34-1 within the unincorporated areas of the  
43 county or as provided in Subsection 10-2-121(2).

44 (2) For the purpose of levying taxes, service charges, or fees provided in this section,  
45 the county legislative body may establish a district or districts in the unincorporated areas of  
46 the county.

47 (3) Nothing contained in this chapter may be construed to authorize counties to impose  
48 or levy taxes not otherwise allowed by law.

49 (4) Notwithstanding any other provision of this chapter, a county providing fire,  
50 paramedic, and police protection services in a designated recreational area, as provided in  
51 Subsection 17-34-1(5), may fund those services from the county general fund with revenues  
52 derived from both inside and outside the limits of cities and towns, and the funding of those  
53 services is not limited to unincorporated area revenues.

---

**Legislative Review Note**  
**as of 11-1-11 3:13 PM**

**Office of Legislative Research and General Counsel**