

1                   **REQUIREMENTS FOR DISTRICTS PROVIDING SERVICES**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Kirk A. Cullimore**

House Sponsor: Karianne Lisonbee

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3 **LONG TITLE**

4 **General Description:**

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

6 **Highlighted Provisions:**

7       This bill:

- 8       ▸ amends the election procedures for a special district board;
- 9       ▸ modifies a provision relating to dividing a special district into divisions;
- 10      ▸ modifies the process for special district boundary changes;
- 11      ▸ modifies provisions relating to the board of trustees of certain improvement districts;
- 12      ▸ modifies the fee collection and payment process for special districts;
- 13      ▸ modifies a provision related to the amount a special service district may be invoiced to
- 14 pay for a service that the district receives from the creating entity;
- 15      ▸ provides that an annexed area for a special service district is subject to the user fees
- 16 imposed and property taxes levied for the benefit of the special service district once the
- 17 required documents are recorded; and
- 18      ▸ makes technical changes.

19 **Money Appropriated in this Bill:**

20       None

21 **Other Special Clauses:**

22       None

23 **Utah Code Sections Affected:**

24 **AMENDS:**

25       **17B-1-306**, as last amended by Laws of Utah 2023, Chapters 15, 435

26       **17B-1-306.5**, as last amended by Laws of Utah 2023, Chapter 15

27       **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 **17B-2a-404**, as last amended by Laws of Utah 2018, Chapter 112  
 31 **17D-1-103**, as last amended by Laws of Utah 2023, Chapter 15  
 32 **17D-1-403**, as last amended by Laws of Utah 2009, Chapter 350

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

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

36 **17B-1-306 . Special district board -- Election procedures -- Notice.**

- 37 (1) Except as provided in Subsection (12), each elected board member shall be selected as  
 38 provided in this section.
- 39 (2) (a) Each election of a special district board member shall be held:
- 40 (i) at the same time as the municipal general election or the regular general election,  
 41 as applicable; and
- 42 (ii) at polling places designated by the special district board in consultation with the  
 43 county clerk for each county in which the special district is located, which polling  
 44 places shall coincide with municipal general election or regular general election  
 45 polling places, as applicable, whenever feasible.
- 46 (b) The special district board, in consultation with the county clerk, may consolidate two  
 47 or more polling places to enable voters from more than one district to vote at one  
 48 consolidated polling place.
- 49 (c) (i) Subject to Subsections (5)(h) and (i), the number of polling places under  
 50 Subsection (2)(a)(ii) in an election of board members of an irrigation district shall  
 51 be one polling place per division of the district, designated by the district board.
- 52 (ii) Each polling place designated by an irrigation district board under Subsection  
 53 (2)(c)(i) shall coincide with a polling place designated by the county clerk under  
 54 Subsection (2)(a)(ii).
- 55 (3) (a) The clerk of each special district with a board member position to be filled at the  
 56 next municipal general election or regular general election, as applicable, shall  
 57 provide notice of:
- 58 ~~[(a)]~~ (i) each elective position of the special district to be filled at the next municipal  
 59 general election or regular general election, as applicable;
- 60 ~~[(b)]~~ (ii) the constitutional and statutory qualifications for each position; and
- 61 ~~[(c)]~~ (iii) the dates and times for filing a declaration of candidacy.

- 62        (b) If the election is to be held at the same time as the municipal general election, a  
63            declaration of candidacy shall be filed on the days specified in Subsection 20A-9-203  
64            (3)(a)(i).
- 65        (c) If the election is to be held at the same time as the regular general election, a  
66            declaration of candidacy shall be filed by the deadline stated in Subsection  
67            20A-9-201.5(2).
- 68        (4) The clerk of the special district shall publish the notice described in Subsection [~~(3)~~]  
69            (3)(a) for the special district, as a class A notice under Section 63G-30-102, for at least  
70            10 days before the first day for filing a declaration of candidacy.
- 71        (5) (a) Except as provided in Subsection (5)(c), to become a candidate for an elective  
72            special district board position, an individual shall file a declaration of candidacy in  
73            person with an official designated by the special district within the candidate filing  
74            period for the applicable election year in which the election for the special district  
75            board is held and:
- 76            (i) during the special district's standard office hours, if the standard office hours  
77                provide at least three consecutive office hours each day during the candidate filing  
78                period that is not a holiday or weekend; or
- 79            (ii) if the standard office hours of a special district do not provide at least three  
80                consecutive office hours each day, a three-hour consecutive time period each day  
81                designated by the special district during the candidate filing period that is not a  
82                holiday or weekend.
- 83        (b) When the candidate filing deadline falls on a Saturday, Sunday, or holiday, the filing  
84            time shall be extended until the close of normal office hours on the following regular  
85            business day.
- 86        (c) Subject to Subsection (5)(f), an individual may designate an agent to file a  
87            declaration of candidacy with the official designated by the special district if:
- 88            (i) the individual is located outside of the state during the entire filing period;  
89            (ii) the designated agent appears in person before the official designated by the  
90                special district; and
- 91            (iii) the individual communicates with the official designated by the special district  
92                using an electronic device that allows the individual and official to see and hear  
93                each other.
- 94        (d) (i) Before the filing officer may accept any declaration of candidacy from an  
95            individual, the filing officer shall:

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

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

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

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

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

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

112 (Signed) \_\_\_\_\_

113 Subscribed and sworn to (or affirmed) before me by \_\_\_\_\_ on this \_\_\_\_\_ day of  
 114 \_\_\_\_\_, \_\_\_\_\_.

115 (Signed) \_\_\_\_\_

116 (Clerk or Notary Public)".

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

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

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

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

127 (i) consider the candidate to be elected to the position; and

128 (ii) cancel the election.

129 (6) (a) A primary election may be held if:

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

- 164 (ii) meet the requirements to vote established by the district.
- 165 (b) Each voter may vote for as many candidates as there are offices to be filled.
- 166 (c) The candidates who receive the highest number of votes are elected.
- 167 (9) Except as otherwise provided by this section, the election of special district board  
168 members is governed by Title 20A, Election Code.
- 169 (10) (a) Except as provided in Subsection 17B-1-303(8), a person elected to serve on a  
170 special district board shall serve a four-year term, beginning at noon on the January 1  
171 after the person's election.
- 172 (b) A person elected shall be sworn in as soon as practical after January 1.
- 173 (11) (a) Except as provided in Subsection (11)(b), each special district shall reimburse  
174 the county or municipality holding an election under this section for the costs of the  
175 election attributable to that special district.
- 176 (b) Each irrigation district shall bear the district's own costs of each election the district  
177 holds under this section.
- 178 (12) This section does not apply to an improvement district that provides electric or gas  
179 service.
- 180 (13) Except as provided in Subsection 20A-3a-605(1)(b), the provisions of Title 20A,  
181 Chapter 3a, Part 6, Early Voting, do not apply to an election under this section.
- 182 (14) (a) As used in this Subsection (14), "board" means:
- 183 (i) a special district board; or
- 184 (ii) the administrative control board of a special service district that has elected  
185 members on the board.
- 186 (b) A board may hold elections for membership on the board at a regular general  
187 election instead of a municipal general election if the board submits an application to  
188 the lieutenant governor that:
- 189 (i) requests permission to hold elections for membership on the board at a regular  
190 general election instead of a municipal general election; and
- 191 (ii) indicates that holding elections at the time of the regular general election is  
192 beneficial, based on potential cost savings, a potential increase in voter turnout, or  
193 another material reason.
- 194 (c) Upon receipt of an application described in Subsection (14)(b), the lieutenant  
195 governor may approve the application if the lieutenant governor concludes that  
196 holding the elections at the regular general election is beneficial based on the criteria  
197 described in Subsection (14)(b)(ii).

- 198 (d) If the lieutenant governor approves a board's application described in this section:  
199 (i) all future elections for membership on the board shall be held at the time of the  
200 regular general election; and  
201 (ii) the board may not hold elections at the time of a municipal general election  
202 unless the board receives permission from the lieutenant governor to hold all  
203 future elections for membership on the board at a municipal general election  
204 instead of a regular general election, under the same procedure, and by applying  
205 the same criteria, described in this Subsection (14).
- 206 (15) (a) This Subsection (15) applies to a special district if:  
207 (i) the special district's board members are elected by the owners of real property, as  
208 provided in Subsection 17B-1-1402(1)(b); and  
209 (ii) the special district was created before January 1, 2020.
- 210 (b) The board of a special district described in Subsection (15)(a) may conduct an  
211 election:  
212 (i) to fill a board member position that expires at the end of the term for that board  
213 member's position; and  
214 (ii) notwithstanding Subsection 20A-1-512(1)(a)(i), to fill a vacancy in an unexpired  
215 term of a board member.
- 216 (c) An election under Subsection (15)(b) may be conducted as determined by the special  
217 district board, subject to Subsection (15)(d).
- 218 (d) (i) The special district board shall provide to property owners eligible to vote at  
219 the special district election:  
220 (A) notice of the election; and  
221 (B) a form to nominate an eligible individual to be elected as a board member.  
222 (ii) (A) The special district board may establish a deadline for a property owner to  
223 submit a nomination form.  
224 (B) A deadline under Subsection (15)(d)(ii)(A) may not be earlier than 15 days  
225 after the board provides the notice and nomination form under Subsection  
226 (15)(d)(i).  
227 (iii) (A) After the deadline for submitting nomination forms, the special district  
228 board shall provide a ballot to all property owners eligible to vote at the special  
229 district election.  
230 (B) A special district board shall allow at least five days for ballots to be returned.  
231 (iv) A special district board shall certify the results of an election under this

232 Subsection (15) during an open meeting of the board.

233 Section 2. Section **17B-1-306.5** is amended to read:

234 **17B-1-306.5 . Dividing a special district into divisions.**

235 (1) Subject to Subsection (3), the board of trustees of a special district that has elected  
 236 board members may, upon a vote of two-thirds of the members of the board, divide the  
 237 special district, or the portion of the special district represented by elected board of  
 238 trustees members, into divisions so that some or all of the elected members of the board  
 239 of trustees may be elected by division rather than at large.

240 (2) (a) As used in this Subsection (2):

241 (i) "Appointed board division" means the dividing of a special district with appointed  
 242 board members, or the dividing of the portion of the special district represented by  
 243 appointed board members, into divisions so that some or all of the appointed  
 244 members of the board of trustees may be appointed by division rather than at large.

245 (ii) "Appointing body" means an appointing authority that is a body.

246 (iii) "Appointing individual" means an appointing authority that is an individual.

247 (b) Subject to Subsection (3), an appointing body may, by a vote of two-thirds of the  
 248 members of the appointing body, approve an appointed board division.

249 (c) (i) Subject to Subsection (3), the board of trustees of a special district with  
 250 appointed members may recommend an appointed board division to the  
 251 appointing individual.

252 (ii) ~~[Subject to Subsection (3), the appointing authority of a special district that has~~  
 253 ~~appointed board members may, upon a vote of two-thirds of the members of the~~  
 254 ~~appointing authority, divide the special district, or the portion of the special~~  
 255 ~~district represented by appointed board members, into divisions so that some or all~~  
 256 ~~of the appointed members of the board of trustees may be appointed by division~~  
 257 ~~rather than at large.] After receiving a recommendation under Subsection (2)(c)(i),~~  
 258 ~~an appointing individual may approve an appointed board division.~~

259 (3) Before ~~[dividing a special district into divisions]~~ approving or recommending an  
 260 appointed board division or before changing the boundaries of divisions already  
 261 established, the board of trustees, under Subsection (1) ~~or (2)(c)(i)~~, or the appointing  
 262 authority, under Subsection ~~[(2)]~~ (2)(b), shall:

263 (a) prepare a proposal that describes the boundaries of the proposed divisions; and

264 (b) hold a public hearing at which any interested person may appear and speak for or  
 265 against the proposal.



- 266 (4) (a) The board of trustees under Subsection (1) or (2)(c)(i) or the appointing authority  
 267 under Subsection (2)(b) shall review the division boundaries at least every 10 years.
- 268 (b) Except for changes in the divisions necessitated by annexations to or withdrawals  
 269 from the special district, the boundaries of divisions established under Subsection (1)  
 270 or (2) may not be changed more often than every five years.
- 271 (c) Changes to the boundaries of divisions already established under Subsection (1) or  
 272 (2) are not subject to the two-thirds vote requirement of Subsection (1) or [~~(2)~~] (2)(b).

273 Section 3. Section **17B-1-417** is amended to read:

274 **17B-1-417 . Boundary adjustment -- Notice and hearing -- Protest -- Resolution**  
 275 **adjusting boundaries -- Filing of notice and plat with the lieutenant governor --**  
 276 **Recording requirements -- Effective date.**

- 277 (1) As used in this section, "affected area" means the area located within the boundaries of  
 278 one special district that will be removed from that special district and included within  
 279 the boundaries of another special district because of a boundary adjustment under this  
 280 section.
- 281 (2) The boards of trustees of two or more special districts having a common boundary and  
 282 providing the same service on the same wholesale or retail basis may adjust their  
 283 common boundary as provided in this section.
- 284 (3) (a) The board of trustees of each special district intending to adjust a boundary that is  
 285 common with another special district shall:
- 286 (i) adopt a resolution indicating the board's intent to adjust a common boundary;  
 287 (ii) hold a public hearing on the proposed boundary adjustment no less than 60 days  
 288 after the adoption of the resolution under Subsection (3)(a)(i); and  
 289 (iii) provide notice for the affected area, as a class B notice under Section 63G-30-102,  
 290 for at least two weeks before the day of the public hearing.
- 291 (b) The notice required under Subsection (3)(a)(iii) shall:
- 292 (i) state that the board of trustees of the special district has adopted a resolution  
 293 indicating the board's intent to adjust a boundary that the special district has in  
 294 common with another special district that provides the same service as the special  
 295 district;
- 296 (ii) describe the affected area;
- 297 (iii) state the date, time, and location of the public hearing required under Subsection  
 298 (3)(a)(ii);
- 299 (iv) provide a special district telephone number where additional information about

- 300 the proposed boundary adjustment may be obtained;
- 301 (v) explain the financial and service impacts of the boundary adjustment on property  
302 owners or residents within the affected area; and
- 303 (vi) state in conspicuous and plain terms that the board of trustees may approve the  
304 adjustment of the boundaries unless, at or before the public hearing under  
305 Subsection (3)(a)(ii), written protests to the adjustment are filed with the board by:
- 306 (A) the owners of private real property that:
- 307 (I) is located within the affected area;
- 308 (II) covers at least 50% of the total private land area within the affected area;  
309 and
- 310 (III) is equal in assessed value to at least 50% of the assessed value of all  
311 private real property within the affected area; or
- 312 (B) registered voters residing within the affected area equal in number to at least  
313 50% of the votes cast in the affected area for the office of governor at the last  
314 regular general election before the filing of the protests.
- 315 (c) The boards of trustees of the special districts whose boundaries are being adjusted  
316 may jointly:
- 317 (i) provide the notice required under Subsection (3)(a)(iii); and  
318 (ii) hold the public hearing required under Subsection (3)(a)(ii).
- 319 (d) Subsections (3)(a)(ii) and (iii), (3)(b), and (3)(c) do not apply if signed, written  
320 consents to the boundary adjustment have been filed with the board from:
- 321 (i) the owners of 100% of the private real property located within the affected area;  
322 and
- 323 (ii) registered voters residing within the affected area equal in number to at least the  
324 number of votes cast in the affected area for the office of governor at the last  
325 regular general election.
- 326 (4) After the public hearing required under Subsection (3)(a)(ii) or if a hearing is not  
327 required under Subsection (3)(d), the board of trustees may adopt a resolution approving  
328 the adjustment of the common boundary unless, at or before the public hearing, written  
329 protests to the boundary adjustment have been filed with the board by:
- 330 (a) the owners of private real property that:
- 331 (i) is located within the affected area;
- 332 (ii) covers at least 50% of the total private land area within the affected area; and
- 333 (iii) is equal in assessed value to at least 50% of the assessed value of all private real

- 334 property within the affected area; or
- 335 (b) registered voters residing within the affected area equal in number to at least 50% of
- 336 the votes cast in the affected area for the office of governor at the last regular general
- 337 election before the filing of the protests.
- 338 (5) A resolution adopted under Subsection (4) does not take effect until the board of each
- 339 special district whose boundaries are being adjusted has adopted a resolution under
- 340 Subsection (4).
- 341 (6) The board of the special district whose boundaries are being adjusted to include the
- 342 affected area shall:
- 343 (a) within 30 days after the resolutions take effect under Subsection (5), file with the
- 344 lieutenant governor:
- 345 (i) a copy of a notice of an impending boundary action, as defined in Section
- 346 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and
- 347 (ii) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5; and
- 348 (b) upon the lieutenant governor's issuance of a certificate of boundary adjustment under
- 349 Section 67-1a-6.5:
- 350 (i) if the affected area is located within the boundary of a single county, submit to the
- 351 recorder of that county:
- 352 (A) the original:
- 353 (I) notice of an impending boundary action;
- 354 (II) certificate of boundary adjustment; and
- 355 (III) approved final local entity plat; and
- 356 (B) a certified copy of each resolution adopted under Subsection (4); or
- 357 (ii) if the affected area is located within the boundaries of more than a single county:
- 358 (A) submit to the recorder of one of those counties:
- 359 (I) the original of the documents listed in Subsections (6)(b)(i)(A)(I), (II), and
- 360 (III); and
- 361 (II) a certified copy of each resolution adopted under Subsection (4); and
- 362 (B) submit to the recorder of each other county:
- 363 (I) a certified copy of the documents listed in Subsections (6)(b)(i)(A)(I), (II),
- 364 and (III); and
- 365 (II) a certified copy of each resolution adopted under Subsection (4).
- 366 (7) (a) Upon the lieutenant governor's issuance of a certificate of boundary adjustment
- 367 under Section 67-1a-6.5, the affected area is annexed to the special district whose

368 boundaries are being adjusted to include the affected area, and the affected area is  
 369 withdrawn from the special district whose boundaries are being adjusted to exclude  
 370 the affected area.

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

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

377 (A) levy or collect a property tax on property within the affected area;

378 (B) levy or collect an assessment on property within the affected area; or

379 (C) charge or collect a fee for service provided to property within the affected area.

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

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

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

389 Section 4. Section **17B-1-635** is amended to read:

390 **17B-1-635 . Duties with respect to checks and other payment mechanisms.**

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

394 (a) the claim was authorized by:

395 (i) the board of trustees; or

396 (ii) the special district financial officer, if the financial officer is not the clerk, in  
 397 accordance with Section 17B-1-642;

398 (b) the claim does not overexpend the appropriate departmental budget established by  
 399 the board of trustees; and

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

401 (2) (a) (i) The treasurer or any other person appointed by the board of trustees shall

402 sign all checks or review and authorize all direct deposits, wire transfers, or other  
403 electronic payments.

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

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

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

413 Section 5. Section **17B-1-643** is amended to read:

414 **17B-1-643 . Imposing or increasing a fee for service provided by special district.**

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

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

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

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

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

425 (d) Except to the extent that this section imposes more stringent notice requirements, the  
426 special district board shall comply with Title 52, Chapter 4, Open and Public  
427 Meetings Act, in holding the public hearing under Subsection (1)(a).

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

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

432 (c) The notice described in Subsection (2)(b) shall state that the special district board  
433 intends to impose or increase a fee for a service provided by the special district and  
434 will hold a public hearing on a certain day, time, and place fixed in the notice, which  
435 shall be not less than seven days after the day the ~~[first]~~ notice is ~~[published,]~~ first

- 436 posted as provided in Subsection (2)(b) for the purpose of hearing comments  
 437 regarding the proposed imposition or increase of a fee and to explain the reasons for  
 438 the proposed imposition or increase.
- 439 (d) (i) In lieu of providing notice under Subsection (2)(b), the special district board of  
 440 trustees may give the notice required under Subsection (2)(a) by mailing the  
 441 notice to those within the district who:
- 442 (A) will be charged the fee for a district service, if the fee is being imposed for the  
 443 first time; or
- 444 (B) are being charged a fee, if the fee is proposed to be increased.
- 445 (ii) Each notice under Subsection (2)(d)(i) shall comply with Subsection (2)(c).  
 446 (iii) A notice under Subsection (2)(d)(i) may accompany a district bill for an existing  
 447 fee.
- 448 (e) If the hearing required under this section is combined with the public hearing  
 449 required under Section 17B-1-610, the notice required under this Subsection (2):  
 450 (i) may be combined with the notice required under Section 17B-1-609; and  
 451 (ii) shall be posted or mailed in accordance with the notice provisions of this section.
- 452 (f) Proof that notice was given as provided in Subsection (2)(b) or (d) is prima facie  
 453 evidence that notice was properly given.
- 454 (g) If no challenge is made to the notice given of a hearing required by Subsection (1)  
 455 within 30 days after the date of the hearing, the notice is considered adequate and  
 456 proper.
- 457 (h) After holding a public hearing under Subsection (1), a special district board may:  
 458 (i) impose the new fee or increase the existing fee as proposed;  
 459 (ii) adjust the amount of the proposed new fee or the increase of the existing fee and  
 460 then impose the new fee or increase the existing fee as adjusted; or  
 461 (iii) decline to impose the new fee or increase the existing fee.
- 462 (i) This section applies to each new fee imposed and each increase of an existing fee that  
 463 occurs on or after July 1, 1998.
- 464 (j) (i) This section does not apply to an impact fee.  
 465 (ii) The imposition or increase of an impact fee is governed by Title 11, Chapter 36a,  
 466 Impact Fees Act.
- 467 Section 6. Section **17B-2a-404** is amended to read:  
 468 **17B-2a-404 . Improvement district board of trustees.**  
 469 (1) As used in this section:

- 470 (a) "County district" means an improvement district that does not include within its  
471 boundaries any territory of a municipality.
- 472 (b) "County member" means a member of a board of trustees of a county district.
- 473 (c) "Electric district" means an improvement district that was created for the purpose of  
474 providing electric service.
- 475 (d) "Included municipality" means a municipality whose boundaries are entirely  
476 contained within but do not coincide with the boundaries of an improvement district.
- 477 (e) "Municipal district" means an improvement district whose boundaries coincide with  
478 the boundaries of a single municipality.
- 479 (f) "Populous regular district" means a regular district with a population exceeding  
480 250,000.
- 481 (g) "Qualified municipality" means a municipality:  
482 (i) whose boundary includes an area that is within a populous regular district and an  
483 area that is outside the populous regular district;  
484 (ii) a portion of which receives one or more services from a populous regular district;  
485 and  
486 (iii) whose population receiving service from the populous regular district is greater  
487 than the population of an included municipality within the populous regular  
488 district.
- 489 [(f)] (h) "Regular district" means an improvement district that is not a county district,  
490 electric district, or municipal district.
- 491 [(g)] (i) "Remaining area" means the area of a regular district that:  
492 (i) is outside the boundaries of an included municipality or a qualified municipality;  
493 and  
494 (ii) includes the area of an included municipality or qualified municipality whose  
495 legislative body elects, under Subsection (5)(a)(ii), not to appoint a member to the  
496 board of trustees of the regular district.
- 497 [(h)] (j) "Remaining area member" means a member of a board of trustees of a regular  
498 district who is appointed, or, if applicable, elected to represent the remaining area of  
499 the district.
- 500 (2) The legislative body of the municipality included within a municipal district may:  
501 (a) elect, at the time of the creation of the district, to be the board of trustees of the  
502 district; and  
503 (b) adopt at any time a resolution providing for:

- 504 (i) the election of board of trustees members, as provided in Section 17B-1-306; or  
505 (ii) the appointment of board of trustees members, as provided in Section 17B-1-304.
- 506 (3) (a) The legislative body of a county whose unincorporated area is partly or  
507 completely within a county district may:
- 508 (i) elect, at the time of the creation of the district, to be the board of trustees of the  
509 district, even though a member of the legislative body of the county may not meet  
510 the requirements of Subsection 17B-1-302(1);
- 511 (ii) adopt at any time a resolution providing for:
- 512 (A) the election of board of trustees members, as provided in Section 17B-1-306;  
513 or  
514 (B) except as provided in Subsection (4), the appointment of board of trustees  
515 members, as provided in Section 17B-1-304; and
- 516 (iii) if the conditions of Subsection (3)(b) are met, appoint a member of the  
517 legislative body of the county to the board of trustees, except that the legislative  
518 body of the county may not appoint more than three members of the legislative  
519 body of the county to the board of trustees.
- 520 (b) A legislative body of a county whose unincorporated area is partly or completely  
521 within a county district may take an action under Subsection (3)(a)(iii) if:
- 522 (i) more than 35% of the residences within a county district that receive service from  
523 the district are seasonally occupied homes, as defined in Subsection 17B-1-302  
524 (2)(a)(ii);
- 525 (ii) the board of trustees are appointed by the legislative body of the county; and  
526 (iii) there are at least two appointed board members who meet the requirements of  
527 Subsections 17B-1-302(1), (2), and (3), except that a member of the legislative  
528 body of the county need not satisfy the requirements of Subsections 17B-1-302(1),  
529 (2), and (3).
- 530 (4) Subject to Subsection (6)(d), the legislative body of a county may not adopt a resolution  
531 providing for the appointment of board of trustees members as provided in Subsection  
532 (3)(a)(ii)(B) at any time after the county district is governed by an elected board of  
533 trustees unless:
- 534 (a) the elected board has ceased to function;
- 535 (b) the terms of all of the elected board members have expired without the board having  
536 called an election; or
- 537 (c) the elected board of trustees unanimously adopts a resolution approving the change



- 538 from an elected to an appointed board.
- 539 (5) (a) (i) Except as provided in Subsection (5)(a)(ii), the legislative body of each  
540 included municipality and, if applicable, the legislative body of each qualified  
541 municipality shall each appoint one member to the board of trustees of a regular  
542 district.
- 543 (ii) The legislative body of an included municipality and the legislative body of a  
544 qualified municipality may elect not to appoint a member to the board under  
545 Subsection (5)(a)(i).
- 546 (b) Except as provided in Subsection (6), the legislative body of each county whose  
547 boundaries include a remaining area shall appoint all other members to the board of  
548 trustees of a regular district.
- 549 (6) Notwithstanding Subsection (3), each remaining area member of a regular district and  
550 each county member of a county district shall be elected, as provided in Section  
551 17B-1-306, if:
- 552 (a) the petition or resolution initiating the creation of the district provides for remaining  
553 area or county members to be elected;
- 554 (b) the district holds an election to approve the district's issuance of bonds;
- 555 (c) for a regular district, an included municipality elects, under Subsection (5)(a)(ii), not  
556 to appoint a member to the board of trustees; or
- 557 (d) (i) at least 90 days before the municipal general election or regular general  
558 election, as applicable, a petition is filed with the district's board of trustees  
559 requesting remaining area members or county members, as the case may be, to be  
560 elected; and
- 561 (ii) the petition is signed by registered voters within the remaining area or county  
562 district, as the case may be, equal in number to at least 10% of the number of  
563 registered voters within the remaining area or county district, respectively, who  
564 voted in the last gubernatorial election.
- 565 (7) Subject to Section 17B-1-302, the number of members of a board of trustees of a regular  
566 district shall be:
- 567 (a) the number of included municipalities within the district plus the number of qualified  
568 municipalities partially within the district, if:
- 569 (i) the number of included municipalities and qualified municipalities is greater than  
570 nine or is an odd number that is not greater than nine; and
- 571 (ii) the district does not include a remaining area;

- 572 (b) the number of included municipalities and qualified municipalities plus one, if the  
573 number of included municipalities within the district plus the number of qualified  
574 municipalities partially within the district is an even number that is less than nine; and
- 575 (c) the number of included municipalities and qualified municipalities plus two, if:  
576 (i) the number of included municipalities and qualified municipalities is an odd  
577 number that is less than nine; and  
578 (ii) the district includes a remaining area.
- 579 (8) (a) Except as provided in Subsection (8)(b), each remaining area member of the  
580 board of trustees of a regular district shall reside within the remaining area.
- 581 (b) Notwithstanding Subsection (8)(a) and subject to Subsection (8)(c), each remaining  
582 area member shall be chosen from the district at large if:  
583 (i) the population of the remaining area is less than 5% of the total district population;  
584 or  
585 (ii) (A) the population of the remaining area is less than 50% of the total district  
586 population; and  
587 (B) the majority of the members of the board of trustees are remaining area  
588 members.
- 589 (c) Application of Subsection (8)(b) may not prematurely shorten the term of any  
590 remaining area member serving the remaining area member's elected or appointed  
591 term on May 11, 2010.
- 592 (9) If the election of remaining area or county members of the board of trustees is required  
593 because of a bond election, as provided in Subsection (6)(b):  
594 (a) a person may file a declaration of candidacy if:  
595 (i) the person resides within:  
596 (A) the remaining area, for a regular district; or  
597 (B) the county district, for a county district; and  
598 (ii) otherwise qualifies as a candidate;
- 599 (b) the board of trustees shall, if required, provide a ballot separate from the bond  
600 election ballot, containing the names of candidates and blanks in which a voter may  
601 write additional names; and  
602 (c) the election shall otherwise be governed by Title 20A, Election Code.
- 603 (10) (a) (i) This Subsection (10) applies to the board of trustees members of an  
604 electric district.  
605 (ii) Subsections (2) through (9) do not apply to an electric district.

- 606 (b) The legislative body of the county in which an electric district is located may appoint  
607 the initial board of trustees of the electric district as provided in Section 17B-1-304.
- 608 (c) After the initial board of trustees is appointed as provided in Subsection (10)(b), each  
609 member of the board of trustees of an electric district shall be elected by persons  
610 using electricity from and within the district.
- 611 (d) Each member of the board of trustees of an electric district shall be a user of  
612 electricity from the district and, if applicable, the division of the district from which  
613 elected.
- 614 (e) The board of trustees of an electric district may be elected from geographic divisions  
615 within the district.
- 616 (f) A municipality within an electric district is not entitled to automatic representation on  
617 the board of trustees.

618 Section 7. Section **17D-1-103** is amended to read:

619 **17D-1-103 . Special service district status, powers, and duties -- Registration as a**  
620 **limited purpose entity -- Limitation on districts providing jail service.**

- 621 (1) A special service district:
- 622 (a) is:
- 623 (i) a body corporate and politic with perpetual succession, separate and distinct from  
624 the county or municipality that creates it;
- 625 (ii) a quasi-municipal corporation; and
- 626 (iii) a political subdivision of the state; and
- 627 (b) may sue and be sued.
- 628 (2) A special service district may:
- 629 (a) exercise the power of eminent domain possessed by the county or municipality that  
630 creates the special service district;
- 631 (b) enter into a contract that the governing authority considers desirable to carry out  
632 special service district functions, including a contract:
- 633 (i) with the United States or an agency of the United States, the state, an institution of  
634 higher education, a county, a municipality, a school district, a special district,  
635 another special service district, or any other political subdivision of the state; or
- 636 (ii) that includes provisions concerning the use, operation, and maintenance of special  
637 service district facilities and the collection of fees or charges with respect to  
638 commodities, services, or facilities that the district provides;
- 639 (c) acquire or construct facilities;

- 640 (d) acquire real or personal property, or an interest in real or personal property, including  
641 water and water rights, whether by purchase, lease, gift, devise, bequest, or  
642 otherwise, and whether the property is located inside or outside the special service  
643 district, and own, hold, improve, use, finance, or otherwise deal in and with the  
644 property or property right;
- 645 (e) sell, convey, lease, exchange, transfer, or otherwise dispose of all or any part of the  
646 special service district's property or assets, including water and water rights;
- 647 (f) mortgage, pledge, or otherwise encumber all or any part of the special service  
648 district's property or assets, including water and water rights;
- 649 (g) enter into a contract with respect to the use, operation, or maintenance of all or any  
650 part of the special service district's property or assets, including water and water  
651 rights;
- 652 (h) accept a government grant or loan and comply with the conditions of the grant or  
653 loan;
- 654 (i) use an officer, employee, property, equipment, office, or facility of the county or  
655 municipality that created the special service district, subject to reimbursement as  
656 provided in Subsection (4);
- 657 (j) employ one or more officers, employees, or agents, including one or more engineers,  
658 accountants, attorneys, or financial consultants, and establish their compensation;
- 659 (k) designate an assessment area and levy an assessment as provided in Title 11, Chapter  
660 42, Assessment Area Act;
- 661 (l) contract with a franchised, certificated public utility for the construction and  
662 operation of an electrical service distribution system within the special service  
663 district;
- 664 (m) borrow money and incur indebtedness;
- 665 (n) as provided in Part 5, Special Service District Bonds, issue bonds for the purpose of  
666 acquiring, constructing, and equipping any of the facilities required for the services  
667 the special service district is authorized to provide, including:
- 668 (i) bonds payable in whole or in part from taxes levied on the taxable property in the  
669 special service district;
- 670 (ii) bonds payable from revenues derived from the operation of revenue-producing  
671 facilities of the special service district;
- 672 (iii) bonds payable from both taxes and revenues;
- 673 (iv) guaranteed bonds, payable in whole or in part from taxes levied on the taxable

- 674 property in the special service district;
- 675 (v) tax anticipation notes;
- 676 (vi) bond anticipation notes;
- 677 (vii) refunding bonds;
- 678 (viii) special assessment bonds; and
- 679 (ix) bonds payable in whole or in part from mineral lease payments as provided in
- 680 Section 11-14-308;
- 681 (o) except as provided in Subsection (5), impose fees or charges or both for
- 682 commodities, services, or facilities that the special service district provides;
- 683 (p) provide to an area outside the special service district's boundary, whether inside or
- 684 outside the state, a service that the special service district is authorized to provide
- 685 within its boundary, if the governing body makes a finding that there is a public
- 686 benefit to providing the service to the area outside the special service district's
- 687 boundary;
- 688 (q) provide other services that the governing body determines will more effectively carry
- 689 out the purposes of the special service district; and
- 690 (r) adopt an official seal for the special service district.
- 691 (3) (a) Each special service district shall register and maintain the special service
- 692 district's registration as a limited purpose entity, in accordance with Section 67-1a-15.
- 693 (b) A special service district that fails to comply with Subsection (3)(a) or Section
- 694 67-1a-15 is subject to enforcement by the state auditor, in accordance with Section
- 695 67-3-1.
- 696 (4) (a) Each special service district that uses an officer, employee, property, equipment,
- 697 office, or facility of the county or municipality that created the special service district
- 698 shall reimburse the county or municipality a reasonable amount for what the special
- 699 service district uses.
- 700 (b) The amount invoiced for what the special service district uses under Subsection
- 701 (4)(a) may not exceed the actual documented cost incurred, without markup, by the
- 702 county or municipality.
- 703 (5) (a) A special service district that provides jail service as provided in Subsection
- 704 17D-1-201(10) may not impose a fee or charge for the service it provides.
- 705 (b) Subsection (5)(a) may not be construed to limit a special service district that provides
- 706 jail service from:
- 707 (i) entering into a contract with the federal government, the state, or a political

708 subdivision of the state to provide jail service for compensation; or  
 709 (ii) receiving compensation for jail service it provides under a contract described in  
 710 Subsection (5)(b)(i).

711 Section 8. Section **17D-1-403** is amended to read:

712 **17D-1-403 . Notice and plat to lieutenant governor -- Lieutenant governor**  
 713 **certification -- Recording requirements -- Effective date.**

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

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

717 (i) a copy of a notice of an impending boundary action, as defined in Section  
 718 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and

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

720 (b) upon the lieutenant governor's issuance of a certificate of annexation under Section  
 721 67-1a-6.5, submit to the recorder of the county in which the special service district is  
 722 located:

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

724 (ii) the original certificate of annexation;

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

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

727 (2) (a) Upon the lieutenant governor's issuance of the certificate of annexation under  
 728 Section 67-1a-6.5, the additional area that is the subject of the legislative body's  
 729 resolution is annexed to the special service district.

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

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

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

737 (B) the special service district may not:

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

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

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

742 (A) may not be construed to limit a special service district's ability before  
743 annexation to charge and collect a fee for service provided to property that is  
744 outside the special service district's boundary; and  
745 (B) does not apply until 60 days after the effective date, under Subsection [~~(2)(a)~~]  
746 (2)(b), of the special service district's annexation, with respect to a fee that the  
747 special service district was charging for service provided to property within the  
748 annexed area immediately before the area was annexed to the special service  
749 district.

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

753 Section 9. **Effective date.**

754 This bill takes effect on May 1, 2024.