

**SPECIAL SERVICE DISTRICTS AMENDMENTS**

2015 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Michael S. Kennedy**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends provisions related to the creation of and services provided by a special service district.

**Highlighted Provisions:**

This bill:

- ▶ prohibits, in certain circumstances, a municipality from creating a special service district;
- ▶ requires the legislative body of a municipality that is creating a special service district to certify to the lieutenant governor certain information;
- ▶ prohibits, in certain circumstances, a municipality from adding a service to the area of an existing special service district; and
- ▶ makes technical and conforming amendments.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**17D-1-202**, as enacted by Laws of Utah 2008, Chapter 360

**17D-1-209**, as last amended by Laws of Utah 2009, Chapter 350



28 **17D-1-401**, as last amended by Laws of Utah 2009, Chapter 92



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

31 Section 1. Section **17D-1-202** is amended to read:

32 **17D-1-202. Limitations on the creation of a special service district.**

33 (1) Subject to [~~Subsection~~] Subsections (2) and (4), the boundary of a proposed special  
34 service district may include all or part of the area within the boundary of the county or  
35 municipality that creates the special service district.

36 (2) (a) The boundary of a proposed special service district may not include an area  
37 included within the boundary of an existing special service district that provides the same  
38 service that the proposed special service district is proposed to provide.

39 (b) The boundary of a proposed special service district may not include an area  
40 included within the boundary of an existing local district that provides the same service that the  
41 proposed special service district is proposed to provide, unless the local district consents.

42 (c) A proposed special service district may not include land that will not be benefitted  
43 by the service that the special service district is proposed to provide, unless the owner of the  
44 nonbenefitted land consents to the inclusion.

45 (d) A county may not create a special service district that includes some or all of the  
46 area within a municipality unless the legislative body of that municipality adopts a resolution or  
47 ordinance consenting to the inclusion.

48 (3) All areas included within a special service district need not be contiguous.

49 (4) A municipality may not create a special service district:

50 (a) whose boundaries would encompass an area smaller than the entire geographic area  
51 of the municipality; or

52 (b) to provide a service that the municipality currently provides throughout the  
53 municipality if the municipality plans to continue to provide the service outside of the special  
54 service district.

55 Section 2. Section **17D-1-209** is amended to read:

56 **17D-1-209. Notice and plat to lieutenant governor -- Recording requirements --**  
57 **Effective date.**

58 (1) The legislative body adopting a resolution or ordinance approving the creation of a

59 special service district shall:

60 (a) within 30 days after adopting the resolution or ordinance, file with the lieutenant  
61 governor:

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

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

65 (iii) if the special service district is being created by a municipality, a written  
66 certification that states the following:

67 "We, the legislative body of [name of municipality], certify that:

68 1. [name of special service district] either encompasses the entire geographic area of  
69 [name of creating municipality] or the special service district is not being created to provide a  
70 service that the municipality currently provides throughout the municipality; or

71 2. If [name of creating municipality] currently provides the service throughout the  
72 municipality, the municipality will stop providing the service after the creation of the special  
73 service district; and

74 3. Subsection [17D-1-202\(4\)](#) of the Utah Code does not preclude the creation of the  
75 special service district."; and

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

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

80 (ii) the original certificate of incorporation;

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

82 (iv) a certified copy of the resolution or ordinance approving the creation of the special  
83 service district.

84 (2) (a) Upon the lieutenant governor's issuance of a certificate of creation under  
85 Section [67-1a-6.5](#), the special service district is created and incorporated.

86 (b) (i) The effective date of a special service district's incorporation for purposes of  
87 assessing property within the special service district is governed by Section [59-2-305.5](#).

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

90 (A) the county, city, or town that created the special service district may not levy or  
91 collect a property tax for special service district purposes on property within the special service  
92 district; and

93 (B) the special service district may not:

94 (I) levy or collect an assessment on property within the special service district; or

95 (II) charge or collect a fee for service provided to property within the special service  
96 district.

97 Section 3. Section **17D-1-401** is amended to read:

98 **17D-1-401. Annexing an area or adding a service to an existing special service**  
99 **district.**

100 (1) Except as provided in Subsections (3) [~~and~~], (4), and (5), a county or municipal  
101 legislative body may, as provided in this part:

102 (a) annex an area to an existing special service district to provide to that area a service  
103 that the special service district is authorized to provide;

104 (b) add a service under Section **17D-1-201** within the area of an existing special service  
105 district that the special service district is not already authorized to provide; or

106 (c) both annex an area under Subsection (1)(a) and add a service under Subsection  
107 (1)(b).

108 (2) Except for Section **17D-1-209**, the provisions of Part 2, Creating a Special Service  
109 District, apply to and govern the process of annexing an area to an existing special service  
110 district or adding a service that the special service district is not already authorized to provide,  
111 to the same extent as if the annexation or addition were the creation of a special service district.

112 (3) A county or municipal legislative body may not:

113 (a) annex an area to an existing special service district if a local district provides to that  
114 area the same service that the special service district is proposed to provide to the area, unless  
115 the local district consents to the annexation; or

116 (b) add a service within the area of an existing special service district if a local district  
117 provides to that area the same service that is proposed to be added, unless the local district  
118 consents to the addition.

119 (4) A municipality may not add a service within the area of an existing special service  
120 district:

121 (a) whose boundaries encompass an area smaller than the entire geographic area of the  
122 municipality; and

123 (b) if the municipality currently provides the service throughout the municipality and  
124 plans to continue to provide the service outside of the special service district.

125 [~~4~~] (5) A county or municipal legislative body may not annex an area to an existing  
126 special service district or add a service within the area of an existing special service district if  
127 the creation of a special service district including that area or providing that service would not  
128 be allowed under Part 2, Creating a Special Service District.

129 [~~5~~] (6) A county or municipal legislative body may not annex an area to an existing  
130 special service district or add a service within the area of an existing special service district if  
131 the area is located within a project area described in a project area plan adopted by the military  
132 installation development authority under Title 63H, Chapter 1, Military Installation  
133 Development Authority Act, unless the county or municipal legislative body has first obtained  
134 the authority's approval.

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**Legislative Review Note**  
as of 2-3-15 4:57 PM

**Office of Legislative Research and General Counsel**