

17D-1-604 Reorganization as a local district.

- (1) The legislative body of a county or municipality that has created a special service district may reorganize the special service district as a local district in accordance with this section.
- (2) The process to reorganize a special service district as a local district is initiated if the legislative body of the county or municipality that originally created the special service district adopts a resolution that:
 - (a) indicates the legislative body's intent to reorganize the special service district as a local district; and
 - (b) complies with the requirements of Subsection (3).
- (3) A resolution to initiate reorganization described in Subsection (2) shall:
 - (a) state the name of the special service district that is proposed to be reorganized as a local district;
 - (b) generally describe the boundaries of the special service district, whether or not those boundaries coincide with the boundaries of the creating county or municipality; and
 - (c) specify each service that the special service district is authorized to provide.
- (4) After adopting the resolution described in Subsection (3), the legislative body of the county or municipality that created the special service district shall hold a public hearing following the notice requirements of Section 17D-1-205 applicable to the creation of a special service district, with changes as appropriate for the reorganization of the special service district as a local district.
- (5)
 - (a) At or following the public hearing, the county or municipal legislative body shall:
 - (i) subject to Subsection (5)(b), adopt a resolution approving the reorganization of the special service district as a local district; or
 - (ii) abandon the reorganization.
 - (b) A resolution approving reorganization shall:
 - (i) state the name of the special service district that is being reorganized as a local district;
 - (ii) state the name of the local district in accordance with Subsection (7);
 - (iii) subject to Subsection (5)(c), describe the boundaries of the local district;
 - (iv) subject to Subsection (8)(a), specify the service or services to be provided by the local district;
 - (v) state:
 - (A) whether the local district is a different type of local district other than a basic local district; and
 - (B) if the reorganized local district is not a basic local district, the type of local district, including the governing part in Title 17B, Chapter 2a, Provisions Applicable to Different Types of Local Districts;
 - (vi) state whether the local district is to be governed by an appointed or an elected board of trustees, or a combination of appointed and elected trustees, in accordance with Title 17B, Chapter 1, Part 3, Board of Trustees;
 - (vii) state whether an administrative control board established for the special service district that is being reorganized as a local district will serve as the first board of trustees of the local district; and
 - (viii) contain additional provisions as necessary.
 - (c) The boundaries of the local district shall reflect the boundaries of the reorganized special service district.

- (6) A county may not reorganize a special service district as a local district to include some or all of the area within a municipality unless the legislative body of the municipality adopts a resolution or ordinance consenting to the reorganization.
- (7) The name of the local district:
 - (a) shall comply with Subsection 17-50-103(2)(a); and
 - (b) may not include the phrase "special service district."
- (8) A local district created under this section may not provide:
 - (a)
 - (i) at the time of reorganization, a service that it could not have provided as the special service district prior to reorganization; or
 - (ii) after reorganization, an additional service listed in Section 17B-1-202, unless the local district adds the service in accordance with the provisions of Title 17B, Chapter 1, Provisions Applicable to All Local Districts; and
 - (b) more than four of the services listed in Section 17B-1-202 at any time.
- (9) After the lieutenant governor issues, in accordance with Section 67-1a-6.5, a certificate of incorporation for a local district created under this section, the local district:
 - (a) is:
 - (i) a body corporate and politic with perpetual succession;
 - (ii) a quasi-municipal corporation; and
 - (iii) a political subdivision of the state as provided in Section 17B-1-103; and
 - (b) may, subject to Subsection (8), provide a service that:
 - (i) the special service district was authorized to provide before reorganization; and
 - (ii) the local district is authorized to provide under the resolution adopted in accordance with Subsection (5).
- (10) An action taken, a bond issued, or a contract or other obligation entered into by the reorganized special service district before reorganization is a valid action, bond issuance, contract, or other obligation of the local district.
- (11) A local district created under this section:
 - (a) may impose and collect taxes, fees, and other charges for services provided in accordance with applicable law;
 - (b) shall own all property acquired by the special service district before reorganization; and
 - (c) shall have a power, right, or obligation that the reorganized special service district had before the reorganization, unless otherwise provided by law.

Enacted by Chapter 371, 2013 General Session