

Bond Case Briefs

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ANNEXATION - UTAH

South Utah Valley Electric Service District v. Payson City

Supreme Court of Utah - December 9, 2021 - P.3d - 2021 WL 5831400 - 2021 UT 68

Electric improvement district brought action alleging that cities failed to comply with statutory requirements for withdrawing annexed areas from district before starting to serve district's customers following annexation.

The Fourth District Court entered partial judgment in cities' favor, and district filed interlocutory appeal.

The Supreme Court held that cities had statutory authority to provide electric service to customers inside district following annexation upon payment of required reimbursements.

Cities generally have power to regulate and sell electricity within their respective boundaries, but when they annex new land, that power is limited by requirement that they either obtain consent of previous electric provider, if it falls within statutory definition of electrical corporation, or pay it reimbursement costs.