

Senator Daniel McCay proposes the following substitute bill:

PUBLIC INFRASTRUCTURE DISTRICT ACT

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel McCay

House Sponsor: James A. Dunnigan

LONG TITLE

General Description:

This bill enacts the Public Infrastructure District Act.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ imposes a limit on a property tax levy for the operation of a public infrastructure district;
- ▶ imposes a limit on certain bonds that a public infrastructure district may issue;
- ▶ allows for local entities to create public infrastructure districts;
- ▶ provides for the appointment and potential election, in certain circumstances, of members of the board of trustees of a public infrastructure district;
- ▶ provides for the issuance of bonds for certain purposes;
- ▶ allows a public infrastructure district to charge certain fees;
- ▶ imposes certain transparency requirements on public infrastructure districts;
- ▶ allows a public infrastructure district to impose a property tax penalty in the event of nonpayment;
- ▶ limits the time period during which a person may bring certain legal challenges against a public infrastructure district;



26 ▶ requires the inclusion of a certain property tax penalty on the property tax notice;

27 and

28 ▶ makes technical changes.

29 **Money Appropriated in this Bill:**

30 None

31 **Other Special Clauses:**

32 None

33 **Utah Code Sections Affected:**

34 AMENDS:

35 **11-42-201**, as last amended by Laws of Utah 2015, Chapter 396

36 **17B-1-102**, as last amended by Laws of Utah 2016, Chapter 176

37 **17B-1-1102**, as last amended by Laws of Utah 2015, Chapter 352

38 **59-2-1317**, as last amended by Laws of Utah 2018, Chapter 197

39 ENACTS:

40 **17B-2a-1201**, Utah Code Annotated 1953

41 **17B-2a-1202**, Utah Code Annotated 1953

42 **17B-2a-1203**, Utah Code Annotated 1953

43 **17B-2a-1204**, Utah Code Annotated 1953

44 **17B-2a-1205**, Utah Code Annotated 1953

45 **17B-2a-1206**, Utah Code Annotated 1953

46 **17B-2a-1207**, Utah Code Annotated 1953

47 **17B-2a-1208**, Utah Code Annotated 1953

48 **17B-2a-1209**, Utah Code Annotated 1953

49 **17B-2a-1210**, Utah Code Annotated 1953

50 **17B-2a-1211**, Utah Code Annotated 1953

51 **17B-2a-1212**, Utah Code Annotated 1953

52 **17B-2a-1213**, Utah Code Annotated 1953



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

55 Section 1. Section **11-42-201** is amended to read:

56 **11-42-201. Resolution or ordinance designating an assessment area --**

57 **Classifications within an assessment area -- Preconditions to adoption of a resolution or**
58 **ordinance.**

59 (1) (a) Subject to the requirements of this part, a governing body of a local entity
60 intending to levy an assessment on property to pay some or all of the cost of providing
61 improvements benefitting the property, performing operation and maintenance benefitting the
62 property, or conducting economic promotion activities benefitting the property shall adopt a
63 resolution or ordinance designating an assessment area.

64 (b) A designation resolution or designation ordinance described in Subsection (1)(a)
65 may divide the assessment area into multiple classifications to allow the governing body to:

66 (i) levy a different level of assessment; or

67 (ii) use a different assessment method in each classification to reflect more fairly the
68 benefits that property within the different classifications is expected to receive because of the
69 proposed improvement, operation and maintenance, or economic promotion activities.

70 (c) The boundaries of a proposed assessment area:

71 (i) may include property that is not intended to be assessed; and

72 (ii) except for an assessment area within a public infrastructure district as defined in
73 Section 17B-1-102, may not be coextensive or substantially coterminous with the boundaries of
74 the local entity.

75 (2) Before adopting a designation resolution or designation ordinance described in
76 Subsection (1)(a), the governing body of the local entity shall:

77 (a) give notice as provided in Section 11-42-202;

78 (b) receive and consider all protests filed under Section 11-42-203; and

79 (c) hold a public hearing as provided in Section 11-42-204.

80 Section 2. Section **17B-1-102** is amended to read:

81 **17B-1-102. Definitions.**

82 As used in this title:

83 (1) "Appointing authority" means the person or body authorized to make an
84 appointment to the board of trustees.

85 (2) "Basic local district":

86 (a) means a local district that is not a specialized local district; and

87 (b) includes an entity that was, under the law in effect before April 30, 2007, created

88 and operated as a local district, as defined under the law in effect before April 30, 2007.

89 (3) "Bond" means:

90 (a) a written obligation to repay borrowed money, whether denominated a bond, note,
91 warrant, certificate of indebtedness, or otherwise; and

92 (b) a lease agreement, installment purchase agreement, or other agreement that:

93 (i) includes an obligation by the district to pay money; and

94 (ii) the district's board of trustees, in its discretion, treats as a bond for purposes of Title
95 11, Chapter 14, Local Government Bonding Act, or Title 11, Chapter 27, Utah Refunding Bond
96 Act.

97 (4) "Cemetery maintenance district" means a local district that operates under and is
98 subject to the provisions of this chapter and Chapter 2a, Part 1, Cemetery Maintenance District
99 Act, including an entity that was created and operated as a cemetery maintenance district under
100 the law in effect before April 30, 2007.

101 (5) "Drainage district" means a local district that operates under and is subject to the
102 provisions of this chapter and Chapter 2a, Part 2, Drainage District Act, including an entity that
103 was created and operated as a drainage district under the law in effect before April 30, 2007.

104 (6) "Facility" or "facilities" includes any structure, building, system, land, water right,
105 water, or other real or personal property required to provide a service that a local district is
106 authorized to provide, including any related or appurtenant easement or right-of-way,
107 improvement, utility, landscaping, sidewalk, road, curb, gutter, equipment, or furnishing.

108 (7) "Fire protection district" means a local district that operates under and is subject to
109 the provisions of this chapter and Chapter 2a, Part 3, Fire Protection District Act, including an
110 entity that was created and operated as a fire protection district under the law in effect before
111 April 30, 2007.

112 (8) "General obligation bond":

113 (a) means a bond that is directly payable from and secured by ad valorem property
114 taxes that are:

115 (i) levied:

116 (A) by the district that issues the bond; and

117 (B) on taxable property within the district; and

118 (ii) in excess of the ad valorem property taxes of the district for the current fiscal year;

119 and

120 (b) does not include:

121 (i) a short-term bond;

122 (ii) a tax and revenue anticipation bond; or

123 (iii) a special assessment bond.

124 (9) "Improvement assurance" means a surety bond, letter of credit, cash, or other
125 security:

126 (a) to guarantee the proper completion of an improvement;

127 (b) that is required before a local district may provide a service requested by a service
128 applicant; and

129 (c) that is offered to a local district to induce the local district before construction of an
130 improvement begins to:

131 (i) provide the requested service; or

132 (ii) commit to provide the requested service.

133 (10) "Improvement assurance warranty" means a promise that the materials and
134 workmanship of an improvement:

135 (a) comply with standards adopted by a local district; and

136 (b) will not fail in any material respect within an agreed warranty period.

137 (11) "Improvement district" means a local district that operates under and is subject to
138 the provisions of this chapter and Chapter 2a, Part 4, Improvement District Act, including an
139 entity that was created and operated as a county improvement district under the law in effect
140 before April 30, 2007.

141 (12) "Irrigation district" means a local district that operates under and is subject to the
142 provisions of this chapter and Chapter 2a, Part 5, Irrigation District Act, including an entity that
143 was created and operated as an irrigation district under the law in effect before April 30, 2007.

144 (13) "Local district" means a limited purpose local government entity, as described in
145 Section [17B-1-103](#), that operates under, is subject to, and has the powers set forth in:

146 (a) this chapter; or

147 (b) (i) this chapter; and

148 (ii) (A) Chapter 2a, Part 1, Cemetery Maintenance District Act;

149 (B) Chapter 2a, Part 2, Drainage District Act;

- 150 (C) Chapter 2a, Part 3, Fire Protection District Act;
- 151 (D) Chapter 2a, Part 4, Improvement District Act;
- 152 (E) Chapter 2a, Part 5, Irrigation District Act;
- 153 (F) Chapter 2a, Part 6, Metropolitan Water District Act;
- 154 (G) Chapter 2a, Part 7, Mosquito Abatement District Act;
- 155 (H) Chapter 2a, Part 8, Public Transit District Act;
- 156 (I) Chapter 2a, Part 9, Service Area Act;
- 157 (J) Chapter 2a, Part 10, Water Conservancy District Act; ~~[or]~~
- 158 (K) Chapter 2a, Part 11, Municipal Services District Act~~[-];~~ or
- 159 (L) Chapter 2a, Part 12, Public Infrastructure District Act.

160 (14) "Metropolitan water district" means a local district that operates under and is
161 subject to the provisions of this chapter and Chapter 2a, Part 6, Metropolitan Water District
162 Act, including an entity that was created and operated as a metropolitan water district under the
163 law in effect before April 30, 2007.

164 (15) "Mosquito abatement district" means a local district that operates under and is
165 subject to the provisions of this chapter and Chapter 2a, Part 7, Mosquito Abatement District
166 Act, including an entity that was created and operated as a mosquito abatement district under
167 the law in effect before April 30, 2007.

168 (16) "Municipal" means of or relating to a municipality.

169 (17) "Municipality" means a city, town, or metro township.

170 (18) "Municipal services district" means a local district that operates under and is
171 subject to the provisions of this chapter and Chapter 2a, Part 11, Municipal Services District
172 Act.

173 (19) "Person" means an individual, corporation, partnership, organization, association,
174 trust, governmental agency, or other legal entity.

175 (20) "Political subdivision" means a county, city, town, metro township, local district
176 under this title, special service district under Title 17D, Chapter 1, Special Service District Act,
177 an entity created by interlocal cooperation agreement under Title 11, Chapter 13, Interlocal
178 Cooperation Act, or any other governmental entity designated in statute as a political
179 subdivision of the state.

180 (21) "Private," with respect to real property, means not owned by the United States or

181 any agency of the federal government, the state, a county, or a political subdivision.

182 (22) "Public entity" means:

183 (a) the United States or an agency of the United States;

184 (b) the state or an agency of the state;

185 (c) a political subdivision of the state or an agency of a political subdivision of the
186 state;

187 (d) another state or an agency of that state; or

188 (e) a political subdivision of another state or an agency of that political subdivision.

189 (23) "Public infrastructure district" means a local district that operates under and is
190 subject to the provisions of this chapter and Chapter 2a, Part 12, Public Infrastructure District
191 Act.

192 [~~23~~] (24) "Public transit district" means a local district that operates under and is
193 subject to the provisions of this chapter and Chapter 2a, Part 8, Public Transit District Act,
194 including an entity that was created and operated as a public transit district under the law in
195 effect before April 30, 2007.

196 [~~24~~] (25) "Revenue bond":

197 (a) means a bond payable from designated taxes or other revenues other than the local
198 district's ad valorem property taxes; and

199 (b) does not include:

200 (i) an obligation constituting an indebtedness within the meaning of an applicable
201 constitutional or statutory debt limit;

202 (ii) a tax and revenue anticipation bond; or

203 (iii) a special assessment bond.

204 [~~25~~] (26) "Rules of order and procedure" means a set of rules that govern and
205 prescribe in a public meeting:

206 (a) parliamentary order and procedure;

207 (b) ethical behavior; and

208 (c) civil discourse.

209 [~~26~~] (27) "Service applicant" means a person who requests that a local district
210 provide a service that the local district is authorized to provide.

211 [~~27~~] (28) "Service area" means a local district that operates under and is subject to the

212 provisions of this chapter and Chapter 2a, Part 9, Service Area Act, including an entity that was
213 created and operated as a county service area or a regional service area under the law in effect
214 before April 30, 2007.

215 ~~[(28)]~~ (29) "Short-term bond" means a bond that is required to be repaid during the
216 fiscal year in which the bond is issued.

217 ~~[(29)]~~ (30) "Special assessment" means an assessment levied against property to pay all
218 or a portion of the costs of making improvements that benefit the property.

219 ~~[(30)]~~ (31) "Special assessment bond" means a bond payable from special assessments.

220 ~~[(31)]~~ (32) "Specialized local district" means a local district that is a cemetery
221 maintenance district, a drainage district, a fire protection district, an improvement district, an
222 irrigation district, a metropolitan water district, a mosquito abatement district, a public transit
223 district, a service area, a water conservancy district, ~~[or]~~ a municipal services district, or a
224 public infrastructure district.

225 ~~[(32)]~~ (33) "Taxable value" means the taxable value of property as computed from the
226 most recent equalized assessment roll for county purposes.

227 ~~[(33)]~~ (34) "Tax and revenue anticipation bond" means a bond:

228 (a) issued in anticipation of the collection of taxes or other revenues or a combination
229 of taxes and other revenues; and

230 (b) that matures within the same fiscal year as the fiscal year in which the bond is
231 issued.

232 ~~[(34)]~~ (35) "Unincorporated" means not included within a municipality.

233 ~~[(35)]~~ (36) "Water conservancy district" means a local district that operates under and
234 is subject to the provisions of this chapter and Chapter 2a, Part 10, Water Conservancy District
235 Act, including an entity that was created and operated as a water conservancy district under the
236 law in effect before April 30, 2007.

237 ~~[(36)]~~ (37) "Works" includes a dam, reservoir, well, canal, conduit, pipeline, drain,
238 tunnel, power plant, and any facility, improvement, or property necessary or convenient for
239 supplying or treating water for any beneficial use, and for otherwise accomplishing the
240 purposes of a local district.

241 Section 3. Section **17B-1-1102** is amended to read:

242 **17B-1-1102. General obligation bonds.**

243 (1) Except as provided in Subsection (3), if a district intends to issue general obligation
 244 bonds, the district shall first obtain the approval of district voters for issuance of the bonds at
 245 an election held for that purpose as provided in Title 11, Chapter 14, Local Government
 246 Bonding Act.

247 (2) General obligation bonds shall be secured by a pledge of the full faith and credit of
 248 the district, subject[;] to:

249 (a) for a water conservancy district, [~~to~~] the property tax levy limits of Section
 250 [17B-2a-1006](#)[;] and

251 (b) for a limited tax bond as defined in Section [17B-2a-1202](#) that a public
 252 infrastructure district issues, the property tax levy limits of Section [17B-2a-1209](#).

253 (3) A district may issue refunding general obligation bonds, as provided in Title 11,
 254 Chapter 27, Utah Refunding Bond Act, without obtaining voter approval.

255 (4) (a) A local district may not issue general obligation bonds if the issuance of the
 256 bonds will cause the outstanding principal amount of all of the district's general obligation
 257 bonds to exceed the amount that results from multiplying the fair market value of the taxable
 258 property within the district, as determined under Subsection [11-14-301](#)(3)(b), by a number that
 259 is:

260 (i) .05, for a basic local district;

261 (ii) .004, for a cemetery maintenance district;

262 (iii) .002, for a drainage district;

263 (iv) .004, for a fire protection district;

264 (v) .024, for an improvement district;

265 (vi) .1, for an irrigation district;

266 (vii) .1, for a metropolitan water district;

267 (viii) .0004, for a mosquito abatement district;

268 (ix) .03, for a public transit district;

269 (x) .12, for a service area; [~~or~~]

270 (xi) .05 for a municipal services district[;] or

271 (xii) except for a limited tax bond as defined in Section [17B-2a-1202](#), .15 for a public
 272 infrastructure district.

273 (b) Bonds or other obligations of a local district that are not general obligation bonds

274 are not included in the limit stated in Subsection (4)(a).

275 (5) A district may not be considered to be a municipal corporation for purposes of the
276 debt limitation of the Utah Constitution, Article XIV, Section 4.

277 (6) Bonds issued by an administrative or legal entity created under Title 11, Chapter
278 13, Interlocal Cooperation Act, may not be considered to be bonds of a local district that
279 participates in the agreement creating the administrative or legal entity.

280 Section 4. Section 17B-2a-1201 is enacted to read:

281 **Part 12. Public Infrastructure District Act**

282 **17B-2a-1201. Title.**

283 This part is known as "Public Infrastructure District Act."

284 Section 5. Section 17B-2a-1202 is enacted to read:

285 **17B-2a-1202. Definitions.**

286 As used in this part:

287 (1) "Board" means the board of trustees of a public infrastructure district.

288 (2) "Creating entity" means the county or municipality that approves of the creation of
289 the public infrastructure district.

290 (3) "District applicant" means the person proposing the creation of the public
291 infrastructure district.

292 (4) "Division" means a division of a public infrastructure district:

293 (a) that is relatively equal in number of eligible voters or potential eligible voters to all
294 other divisions within the public infrastructure district, taking into account existing or potential
295 developments which, when completed, would increase or decrease the population within the
296 public infrastructure district; and

297 (b) which a member of the board represents.

298 (5) "Governing Document" means the document governing the public infrastructure
299 district to which the creating entity agrees before the creation of the public infrastructure
300 district, as amended from time to time, and subject to the limitations of Chapter 1, Provisions
301 Applicable to All Local Districts, and this part.

302 (6) (a) "Limited tax bond" means a bond:

303 (i) that is directly payable from and secured by ad valorem property taxes that are
304 levied:

305 (A) by the public infrastructure district that issues the bond; and
306 (B) on taxable property within the district;
307 (ii) that is a general obligation of the public infrastructure district; and
308 (iii) for which the ad valorem property tax levy for repayment of the bond does not
309 exceed the mill rate limit established under Section 17B-2a-1209 for any fiscal year, except as
310 provided in Subsection 17B-2a-1207(8).

311 (b) "Limited tax bond does not include:
312 (i) a short-term bond;
313 (ii) a tax and revenue anticipation bond; or
314 (iii) a special assessment bond.

315 Section 6. Section 17B-2a-1203 is enacted to read:

316 **17B-2a-1203. Provisions applicable to public infrastructure districts.**

317 (1) Each public infrastructure district is governed by and has the powers stated in:

318 (a) this part; and
319 (b) Chapter 1, Provisions Applicable to All Local Districts.

320 (2) This part applies only to a public infrastructure district.

321 (3) A public infrastructure district is not subject to the provisions of any other part of
322 this chapter.

323 (4) If there is a conflict between a provision in Chapter 1, Provisions Applicable to All
324 Local Districts, and a provision in this part, the provision in this part governs.

325 Section 7. Section 17B-2a-1204 is enacted to read:

326 **17B-2a-1204. Creation.**

327 (1) In addition to the provisions regarding creation of a local district in Chapter 1,
328 Provisions Applicable to All Local Districts, a public infrastructure district may not be created
329 unless:

330 (a) if there are any registered voters within the applicable area, a petition is filed with
331 the creating entity that contains the signatures of 100% of registered voters within the
332 applicable area approving the creation of the public infrastructure district; and

333 (b) a petition is filed with the creating entity that contains the signatures of 100% of
334 surface property owners within the applicable area consenting to the creation of the public
335 infrastructure district.

336 (2) The election requirement of Section 17B-1-214 does not apply to a petition meeting
337 the requirements of Subsection (1).

338 (3) (a) Notwithstanding Chapter 1, Part 4, Annexation, an area outside of the
339 boundaries of a public infrastructure district may be annexed into the public infrastructure
340 district after:

341 (i) adoption of resolutions of the board and the creating entity, each approving of the
342 annexation;

343 (ii) if there are any registered voters within the area proposed to be annexed, a petition
344 is filed with the creating entity that contains the signatures of 100% of registered voters within
345 the area and approves of the annexation into the public infrastructure district; and

346 (iii) a petition is filed with the creating entity that contains the signatures of 100% of
347 surface property owners within the area proposed to be annexed and consents to the annexation
348 into the public infrastructure district.

349 (b) Upon meeting the requirements of Subsection (3)(a), the board shall comply with
350 the resolution and filing requirements of Subsections 17B-1-414(1) and (2).

351 (c) (i) Notwithstanding Chapter 1, Part 5, Withdrawal, property may be withdrawn
352 from a public infrastructure district after:

353 (A) adoption of resolutions of the board and the creating entity, each approving of the
354 annexation;

355 (B) if there are any registered voters within the area proposed to be withdrawn, a
356 petition is filed with the creating entity that contains the signatures of 100% of registered voters
357 within the area and approves of the withdrawal from the public infrastructure district; and

358 (C) a petition is filed with the creating entity that contains the signatures of 100% of
359 surface property owners within the area proposed to be withdrawn and consents to the
360 withdrawal from the public infrastructure district.

361 (ii) If any bonds that the public infrastructure district issues are allocable to the area to
362 be withdrawn remain unpaid at the time of the proposed withdrawal, the property remains
363 subject to any taxes, fees, or assessments that the public infrastructure district imposes until the
364 bonds or any associated refunding bonds are paid.

365 (d) Upon meeting the requirements of Subsection (3)(c), the board shall comply with
366 the requirements of Section 17B-1-512.

367 (4) The creating entity may impose limitations on the powers of the public
368 infrastructure district through the governing document.

369 (5) (a) A public infrastructure district is separate and distinct from the creating entity.
370 (b) (i) Except as provided in Subsection (5)(b)(ii), any financial burden of a public
371 infrastructure district:

372 (A) is borne solely by the public infrastructure district; and
373 (B) is not borne by the creating entity or any municipality, county, the state, or any
374 other political subdivision.

375 (ii) Notwithstanding Subsection (5)(b)(i) and Section [17B-1-216](#), the governing
376 document may require:

377 (A) the district applicant to bear the initial costs of the public infrastructure district;
378 and

379 (B) the public infrastructure district to reimburse the district applicant for the initial
380 costs the creating entity bears.

381 (c) Any liability, judgment, or claim against a public infrastructure district:
382 (i) is the sole responsibility of the public infrastructure district; and
383 (ii) does not constitute a liability, judgment, or claim against the creating entity, the
384 state, or any municipality, county, or other political subdivision.

385 (d) (i) (A) The public infrastructure district solely bears the responsibility of any
386 collection, enforcement, or foreclosure proceeding with regard to any tax, fee, or assessment
387 the public infrastructure district imposes.

388 (B) The creating entity does not bear the responsibility described in Subsection
389 (5)(d)(i)(A).

390 (ii) A public infrastructure district, and not the creating entity, shall undertake the
391 enforcement responsibility described in, as applicable, Subsection (5)(d)(i) in accordance with
392 Title 59, Chapter 2, Property Tax Act, or Title 11, Chapter 42, Assessment Area Act.

393 (6) The creating entity may establish criteria in determining whether to approve or
394 disapprove of the creation of a public infrastructure district, including:

395 (a) historical performance of the district applicant;
396 (b) compliance with the creating entity's master plan;
397 (c) credit worthiness of the district applicant;

398 (d) plan of finance of the public infrastructure district; and

399 (e) proposed development within the public infrastructure district.

400 (7) (a) The creation of a public infrastructure district is subject to the sole discretion of
401 the creating entity responsible for approving or rejecting the creation of the public
402 infrastructure district.

403 (b) The proposed creating entity bears no liability for rejecting the proposed creation of
404 a public infrastructure district.

405 Section 8. Section **17B-2a-1205** is enacted to read:

406 **17B-2a-1205. Public infrastructure district board -- Governing document.**

407 (1) The legislative body of the entity that approves the creation of a public
408 infrastructure district shall appoint the members of the board, in accordance with the governing
409 document.

410 (2) (a) Unless otherwise limited in the governing document and except as provided in
411 Subsection (2)(b), the initial term of each member of the board is four years.

412 (b) Notwithstanding Subsection (2)(a), approximately half of the members of the initial
413 board shall serve a six-year term so that, after the expiration of the initial term, the term of
414 approximately half the board members expires every two years.

415 (c) A board may elect that a majority of the board serve an initial term of six years.

416 (d) After the initial term, the term of each member of the board is four years.

417 (3) (a) Notwithstanding Subsection [17B-1-302](#)(1)(b), a board member is not required
418 to be a resident within the boundaries of the public infrastructure district if:

419 (i) all of the surface property owners consent to the waiver of the residency
420 requirement;

421 (ii) there are no residents within the boundaries of the public infrastructure district;

422 (iii) no qualified candidate timely files to be considered for appointment to the board;

423 or

424 (iv) no qualified individual files a declaration of candidacy for a board position in
425 accordance with Subsection [17B-1-306](#)(4).

426 (b) Except under the circumstances described in Subsection (3)(a)(iii) or (iv), the
427 residency requirement in Subsection [17B-1-302](#)(1)(b) is applicable to any board member
428 elected for a division or board position that has transitioned from an appointed to an elected

429 board member in accordance with this section.

430 (c) An individual who is not a resident within the boundaries of the public
431 infrastructure district may not serve as a board member unless the individual is:

432 (i) an owner of land or an agent or officer of the owner of land within the boundaries of
433 the public infrastructure district; and

434 (ii) a registered voter at the individual's primary residence.

435 (4) (a) A governing document may provide for a transition from legislative body
436 appointment under Subsection (1) to a method of election by registered voters based upon
437 milestones or events that the governing document identifies, including a milestone for each
438 division or individual board position providing that when the milestone is reached:

439 (i) for a division, the registered voters of the division elect a member of the board in
440 place of an appointed member at the next municipal general election for the board position; or

441 (ii) for an at large board position established in the governing document, the registered
442 voters of the public infrastructure district elect a member of the board in place of an appointed
443 member at the next municipal general election for the board position.

444 (b) Regardless of whether a board member is elected under Subsection (4)(a), the
445 position of each remaining board member shall continue to be appointed under Subsection (1)
446 until the member's respective division or board position surpasses the density milestone
447 described in the governing document.

448 (5) (a) Subject to Subsection (5)(c), the board may, in the board's discretion but no
449 more frequently than every four years, reestablish the boundaries of each division so that each
450 division that has reached a milestone specified in the governing document, as described in
451 Subsection (4)(a), has, as nearly as possible, the same number of eligible voters.

452 (b) In reestablishing division boundaries under Subsection (5)(a), the board shall
453 consider existing or potential developments within the divisions which, when completed,
454 would increase or decrease the number of eligible voters within the division.

455 (c) The governing document may prohibit the board from reestablishing, without the
456 consent of the creating entity, the division boundaries as described in Subsection (5)(a).

457 (6) The public infrastructure district may not compensate a board member for the
458 member's service on the board under Section 17B-1-307 unless the board member is a resident
459 within the boundaries of the public infrastructure district.

- 460 (7) The governing document shall:
461 (a) include a boundary description and a map of the public infrastructure district;
462 (b) state the number of board members;
463 (c) describe any divisions of the public infrastructure district;
464 (d) establish any applicable mill rate limit for the public infrastructure district;
465 (e) establish any applicable limitation on the principal amount of indebtedness for the
466 public infrastructure district; and
467 (f) include other information that the public infrastructure district or the creating entity
468 determines to be necessary or advisable.
469 (8) (a) Except as provided in Subsection (8)(b), the board and the governing body of
470 the creating entity may amend a governing document by each adopting a resolution that
471 approves the amended governing document.
472 (b) Notwithstanding Subsection (8)(a), any amendment to a property tax mill limitation
473 requires the consent of:
474 (i) 100% of surface property owners within the boundaries of the public infrastructure
475 district; and
476 (ii) 100% of the registered voters, if any, within the boundaries of the public
477 infrastructure district.
478 (9) A board member is not in violation of Section [67-16-9](#) if the board member:
479 (a) discloses a business relationship in accordance with Sections [67-16-7](#) and [67-16-8](#)
480 and files the disclosure with the creating entity:
481 (i) before any appointment or election; and
482 (ii) upon any significant change in the business relationship; and
483 (b) conducts the affairs of the public infrastructure district in accordance with this title
484 and any parameters described in the governing document.
485 Section 9. Section **17B-2a-1206** is enacted to read:
486 **17B-2a-1206. Additional public infrastructure district powers.**
487 In addition to the powers conferred on a public infrastructure district under Section
488 [17B-1-103](#), a public infrastructure district may:
489 (1) issue negotiable bonds to pay:
490 (a) all or part of the costs of acquiring, acquiring an interest in, improving, or extending

491 any of the improvements, facilities, or property allowed under Section [11-14-103](#);
492 (b) the capital costs for public facilities necessary to provide:
493 (i) a television service, including cable television, television relay, and translator
494 facilities; or
495 (ii) a public telecommunications service, including Internet and fiber infrastructure;
496 (c) capital costs of improvements in an energy assessment area, as defined in Section
497 [11-42a-102](#), and other related costs, against the funds that the public infrastructure district will
498 receive because of an assessment in an energy assessment area, as defined in Section
499 [11-42a-401](#);
500 (d) public improvements related to the provision of housing; and
501 (e) capital costs related to public transportation;
502 (2) enter into an interlocal agreement in accordance with Title 11, Chapter 13,
503 Interlocal Cooperation Act, provided that the interlocal agreement may not expand the powers
504 of the public infrastructure district, within the limitations of Title 11, Chapter 13, Interlocal
505 Cooperation Act, without the consent of the creating entity;
506 (3) acquire completed or partially completed improvements for fair market value as
507 reasonably determined by:
508 (a) the board;
509 (b) the creating entity, if required in the governing document; or
510 (c) a surveyor or engineer that a public infrastructure district employs or engages to
511 perform the necessary engineering services for and to supervise the construction or installation
512 of the improvements; and
513 (4) contract with the creating entity for the creating entity to provide administrative
514 services on behalf of the public infrastructure district, when agreed to by both parties, in order
515 to achieve cost savings and economic efficiencies, at the discretion of the creating entity.
516 Section 10. Section **17B-2a-1207** is enacted to read:
517 **17B-2a-1207. Public infrastructure district bonds.**
518 (1) A public infrastructure district may issue negotiable bonds for the purposes
519 described in Section [17B-2a-1206](#), as provided in, as applicable:
520 (a) Title 11, Chapter 14, Local Government Bonding Act;
521 (b) Title 11, Chapter 27, Utah Refunding Bond Act;

522 (c) Title 11, Chapter 42, Assessment Area Act; and
523 (d) this section.
524 (2) A public infrastructure district bond:
525 (a) shall mature within 40 years of the date of issuance; and
526 (b) may not be secured by any improvement or facility paid for by the public
527 infrastructure district.
528 (3) (a) A public infrastructure district may issue a limited tax bond, in the same manner
529 as a general obligation bond:
530 (i) with the consent of 100% of surface property owners within the boundaries of the
531 public infrastructure district and 100% of the registered voters, if any, within the boundaries of
532 the proposed public infrastructure district; or
533 (ii) upon approval of a majority of the registered voters within the boundaries of the
534 public infrastructure district voting in an election held for that purpose under Title 11, Chapter
535 14, Local Government Bonding Act.
536 (b) A limited tax bond described in Subsection (3)(a):
537 (i) is not subject to the limitation on a general obligation bond described in Subsection
538 [17B-1-1102](#)(4)(a)(xii); and
539 (ii) is subject to a limitation, if any, on the principal amount of indebtedness as
540 described in the governing document.
541 (c) Unless limited tax bonds are initially purchased exclusively by one or more
542 qualified institutional buyers as defined in Rule 144A, 17 C.F.R. Sec. 230.144A, the public
543 infrastructure district may only issue limited tax bonds in denominations of not less than
544 \$500,000, and in integral multiples above \$500,000 of not less than \$1,000 each.
545 (d) (i) Without any further election or consent of property owners or registered voters,
546 a public infrastructure district may convert a limited tax bond described in Subsection (3)(a) to
547 a general obligation bond if the principal amount of the related limited tax bond together with
548 the principal amount of other related outstanding general obligation bonds of the public
549 infrastructure district does not exceed 15% of the fair market value of taxable property in the
550 public improvement district securing the general obligation bonds, determined by:
551 (A) an appraisal from an appraiser who is a member of the Appraisal Institute that is
552 addressed to the public infrastructure district or a financial institution; or

553 (B) the most recent market value of the property from the assessor of the county in
554 which the property is located.

555 (ii) The consent to the issuance of a limited tax bond described in Subsection (3)(a) is
556 sufficient to meet any statutory or constitutional election requirement necessary for the
557 issuance of the limited tax bond and any general obligation bond to be issued in place of the
558 limited tax bond upon meeting the requirements of this Subsection (3)(d).

559 (iii) A general obligation bond resulting from a conversion of a limited tax bond under
560 this Subsection (3)(d) is not subject to the limitation on general obligation bonds described in
561 Subsection 17B-1-1102(4)(a)(xii).

562 (4) There is no limitation on the duration of revenues that a public infrastructure
563 district may receive to cover any shortfall in the payment of principal of and interest on a bond
564 that the public infrastructure district issues.

565 (5) A public infrastructure district is not a municipal corporation for purposes of the
566 debt limitation of Utah Constitution, Article XIV, Section 4.

567 (6) The board may, by resolution, delegate to one or more officers of the public
568 infrastructure district the authority to:

569 (a) in accordance and within the parameters set forth in a resolution adopted in
570 accordance with Section 11-14-302, approve the final interest rate, price, principal amount,
571 maturity, redemption features, and other terms of the bond;

572 (b) approve and execute any document relating to the issuance of a bond; and

573 (c) approve any contract related to the acquisition and construction of the
574 improvements, facilities, or property to be financed with a bond.

575 (7) (a) Any person may contest the legality of the issuance of a public infrastructure
576 district bond or any provisions for the security and payment of the bond for a period of 30 days
577 after:

578 (i) publication of the resolution authorizing the bond; or

579 (ii) publication of a notice of bond containing substantially the items required under
580 Subsection 11-14-316(2).

581 (b) After the 30-day period described in Subsection (7)(a), no person may bring a
582 lawsuit or other proceeding contesting the regularity, formality, or legality of the bond for any
583 reason.

584 (8) (a) In the event of any statutory change in the methodology of assessment or
585 collection of property taxes in a manner that reduces the amounts which are devoted or pledged
586 to the repayment of limited tax bonds, a public infrastructure district may charge a rate
587 sufficient to receive the amount of property taxes or assessment the public infrastructure
588 district would have received before the statutory change in order to pay the debt service on
589 outstanding limited tax bonds.

590 (b) The rate increase described in Subsection (8)(a) may exceed the limit described in
591 Section [17B-2a-1209](#).

592 (c) The public infrastructure district may charge the rate increase described in
593 Subsection (8)(a) until the bonds, including any associated refunding bonds, or other securities,
594 together with applicable interest, are fully met and discharged.

595 Section 11. Section **17B-2a-1208** is enacted to read:

596 **17B-2a-1208. Fees.**

597 A public infrastructure district may charge a fee or other charge for an administrative
598 service that the public infrastructure district provides, to pay some or all of the public
599 infrastructure district's:

- 600 (1) costs of acquiring, improving, or extending improvements, facilities, or property; or
- 601 (2) costs associated with the enforcement of a legal remedy.

602 Section 12. Section **17B-2a-1209** is enacted to read:

603 **17B-2a-1209. Limits on public infrastructure district property tax levy -- Notice**
604 **requirements.**

605 (1) The property tax levy of a public infrastructure district, for all purposes, including
606 payment of debt service on limited tax bonds, may not exceed .015 per dollar of taxable value
607 of taxable property in the district.

608 (2) The limitation described in Subsection (1) does not apply to the levy by the public
609 infrastructure district to pay principal of and interest on a general obligation bond that the
610 public infrastructure district issues.

611 (3) (a) Within 30 days after the day on which the creating entity adopts the resolution
612 creating the public infrastructure district, the board shall record a notice with the recorder of
613 the county in which property within the public infrastructure district is located.

614 (b) The notice described in Subsection (3)(a) shall:

615 (i) contain a description of the boundaries of the public infrastructure district;
616 (ii) state that a copy of the governing document is on file at the office of the creating

617 entity;

618 (iii) state that the public infrastructure district may finance and repay infrastructure and
619 other improvements through the levy of a property tax; and

620 (iv) state the maximum rate that the public infrastructure district may levy.

621 Section 13. Section **17B-2a-1210** is enacted to read:

622 **17B-2a-1210. Property tax penalty for nonpayment.**

623 In the event of nonpayment of any tax, fee, or charge that a public infrastructure district
624 imposes, the public infrastructure district may impose a property tax penalty at an annual rate
625 of .07, in addition to any other lawful penalty for nonpayment of property tax.

626 Section 14. Section **17B-2a-1211** is enacted to read:

627 **17B-2a-1211. Relation to other local entities.**

628 (1) Notwithstanding the creation of the public infrastructure district, the creating entity
629 and any other public entity, as applicable, retains all of the entity's authority over all zoning,
630 planning, design specifications and approvals, and permitting within the public infrastructure
631 district.

632 (2) The inclusion of property within the boundaries of a public infrastructure district
633 does not preclude the inclusion of the property within any other local district.

634 (3) (a) All infrastructure that is connected to another public entity's system:

635 (i) belongs to that public entity, regardless of inclusion within the boundaries of a
636 public infrastructure district, unless the public infrastructure district and the public entity
637 otherwise agree; and

638 (ii) shall comply with the design, inspection requirements, and other standards of the
639 public entity.

640 (b) The public infrastructure district shall convey or transfer the infrastructure
641 described in Subsection (3)(a) free of liens or financial encumbrances to the public entity at no
642 cost to the public entity.

643 Section 15. Section **17B-2a-1212** is enacted to read:

644 **17B-2a-1212. Transparency.**

645 A public infrastructure district shall file annual reports with the creating entity

646 regarding the public infrastructure district's actions as provided in the governing document.

647 Section 16. Section **17B-2a-1213** is enacted to read:

648 **17B-2a-1213. Action to contest tax, fee, or proceeding -- Requirements --**

649 **Exclusive remedy -- Bonds, taxes, and fees incontestable.**

650 (1) A person who contests a tax or fee or any proceeding to create a public
651 infrastructure district, levy a tax, or impose a fee may bring a civil action against the public
652 infrastructure district or the creating entity to:

653 (a) set aside the proceeding; or

654 (b) enjoin the levy, imposition, or collection of a tax or fee.

655 (2) The person bringing an action described in Subsection (1):

656 (a) shall bring the action in the district court with jurisdiction in the county in which
657 the public infrastructure district is located; and

658 (b) may not bring the action against or serve a summons relating to the action on the
659 public infrastructure district more than 30 days after the effective date of the:

660 (i) creation of the public infrastructure district, if the challenge is to the creation of the
661 public infrastructure district; or

662 (ii) tax or fee, if the challenge is to a tax or fee.

663 (3) An action under Subsection (1) is the exclusive remedy of a person who:

664 (a) claims an error or irregularity in a tax or fee or in any proceeding to create a public
665 infrastructure district, levy a tax, or impose a fee; or

666 (b) challenges a bondholder's right to repayment.

667 (4) After the expiration of the 30-day period described in Subsection (2)(b):

668 (a) a bond issued or to be issued with respect to a public infrastructure district and any
669 tax levied or fee imposed becomes incontestable against any person who has not brought an
670 action and served a summons in accordance with this section;

671 (b) a person may not bring a suit to:

672 (i) enjoin the issuance or payment of a bond or the levy, imposition, collection, or
673 enforcement of a tax or fee; or

674 (ii) attack or question in any way the legality of a bond, tax, or fee; and

675 (c) a court may not inquire into the matters described in Subsection (4)(b).

676 (5) (a) This section does not insulate a public infrastructure district from a claim of

677 misuse of funds after the expiration of the 30-day period described in Subsection (2)(b).

678 (b) (i) Except as provided in Subsection (5)(b)(ii), an action in the nature of mandamus
679 is the sole form of relief available to a party challenging the misuse of funds.

680 (ii) The limitation in Subsection (5)(b)(i) does not prohibit the filing of criminal
681 charges against or the prosecution of a party for the misuse of funds.

682 Section 17. Section **59-2-1317** is amended to read:

683 **59-2-1317. Tax notice -- Contents of notice -- Procedures and requirements for**
684 **providing notice.**

685 (1) As used in this section, "political subdivision lien" means the same as that term is
686 defined in Section [11-60-102](#).

687 (2) Subject to the other provisions of this section, the county treasurer shall:

688 (a) collect the taxes and tax notice charges; and

689 (b) provide a notice to each taxpayer that contains the following:

690 (i) the kind and value of property assessed to the taxpayer;

691 (ii) the street address of the property, if available to the county;

692 (iii) that the property may be subject to a detailed review in the next year under Section
693 [59-2-303.1](#);

694 (iv) the amount of taxes levied;

695 (v) a separate statement of the taxes levied only on a certain kind or class of property
696 for a special purpose;

697 (vi) property tax information pertaining to taxpayer relief, options for payment of
698 taxes, and collection procedures;

699 (vii) any tax notice charges applicable to the property, including:

700 (A) if applicable, a political subdivision lien for road damage that a railroad company
701 causes, as described in Section [10-7-30](#);

702 (B) if applicable, a political subdivision lien for municipal water distribution, as
703 described in Section [10-8-17](#), or a political subdivision lien for an increase in supply from a
704 municipal water distribution, as described in Section [10-8-19](#);

705 (C) if applicable, a political subdivision lien for unpaid abatement fees as described in
706 Section [10-11-4](#);

707 (D) if applicable, a political subdivision lien for the unpaid portion of an assessment

708 assessed in accordance with Title 11, Chapter 42, Assessment Area Act, or Title 11, Chapter
709 42a, Commercial Property Assessed Clean Energy Act, including unpaid costs, charges, and
710 interest as of the date the local entity certifies the unpaid amount to the county treasurer;

711 (E) if applicable, for a local district in accordance with Section 17B-1-902, a political
712 subdivision lien for an unpaid fee, administrative cost, or interest;

713 (F) if applicable, a political subdivision lien for an unpaid irrigation district use charge
714 as described in Section 17B-2a-506; ~~and~~

715 (G) if applicable, a political subdivision lien for a contract assessment under a water
716 contract, as described in Section 17B-2a-1007; and

717 (H) if applicable, a property tax penalty that a public infrastructure district imposes, as
718 described in Section 17B-2a-1210;

719 (viii) a statement that, due to potentially ongoing charges, costs, penalties, and interest,
720 payment of a tax notice charge may not:

721 (A) pay off the full amount the property owner owes to the tax notice entity; or

722 (B) cause a release of the lien underlying the tax notice charge;

723 (ix) the date the taxes and tax notice charges are due;

724 (x) the street address at which the taxes and tax notice charges may be paid;

725 (xi) the date on which the taxes and tax notice charges are delinquent;

726 (xii) the penalty imposed on delinquent taxes and tax notice charges;

727 (xiii) a statement that explains the taxpayer's right to direct allocation of a partial
728 payment in accordance with Subsection (9);

729 (xiv) other information specifically authorized to be included on the notice under this
730 chapter; and

731 (xv) other property tax information approved by the commission.

732 (3) (a) Unless expressly allowed under this section or another statutory provision, the
733 treasurer may not add an amount to be collected to the property tax notice.

734 (b) If the county treasurer adds an amount to be collected to the property tax notice
735 under this section or another statutory provision that expressly authorizes the item's inclusion
736 on the property tax notice:

737 (i) the amount constitutes a tax notice charge; and

738 (ii) (A) the tax notice charge has the same priority as property tax; and

739 (B) a delinquency of the tax notice charge triggers a tax sale, in accordance with
740 Section 59-2-1343.

741 (4) For any property for which property taxes or tax notice charges are delinquent, the
742 notice described in Subsection (2) shall state, "Prior taxes or tax notice charges are delinquent
743 on this parcel."

744 (5) Except as provided in Subsection (6), the county treasurer shall:

745 (a) mail the notice required by this section, postage prepaid; or

746 (b) leave the notice required by this section at the taxpayer's residence or usual place of
747 business, if known.

748 (6) (a) Subject to the other provisions of this Subsection (6), a county treasurer may, at
749 the county treasurer's discretion, provide the notice required by this section by electronic mail if
750 a taxpayer makes an election, according to procedures determined by the county treasurer, to
751 receive the notice by electronic mail.

752 (b) A taxpayer may revoke an election to receive the notice required by this section by
753 electronic mail if the taxpayer provides written notice to the treasurer on or before October 1.

754 (c) A revocation of an election under this section does not relieve a taxpayer of the
755 duty to pay a tax or tax notice charge due under this chapter on or before the due date for
756 paying the tax or tax notice charge.

757 (d) A county treasurer shall provide the notice required by this section using a method
758 described in Subsection (5), until a taxpayer makes a new election in accordance with this
759 Subsection (6), if:

760 (i) the taxpayer revokes an election in accordance with Subsection (6)(b) to receive the
761 notice required by this section by electronic mail; or

762 (ii) the county treasurer finds that the taxpayer's electronic mail address is invalid.

763 (e) A person is considered to be a taxpayer for purposes of this Subsection (6)
764 regardless of whether the property that is the subject of the notice required by this section is
765 exempt from taxation.

766 (7) (a) The county treasurer shall provide the notice required by this section to a
767 taxpayer on or before November 1.

768 (b) The county treasurer shall keep on file in the county treasurer's office the
769 information set forth in the notice.

770 (c) The county treasurer is not required to mail a tax receipt acknowledging payment.

771 (8) This section does not apply to property taxed under Section 59-2-1302 or

772 59-2-1307.

773 (9) (a) A taxpayer who pays less than the full amount due on the taxpayer's property tax
774 notice may, on a form provided by the county treasurer, direct how the county treasurer
775 allocates the partial payment between:

776 (i) the total amount due for property tax;

777 (ii) the amount due for assessments, past due local district fees, and other tax notice
778 charges; and

779 (iii) any other amounts due on the property tax notice.

780 (b) The county treasurer shall comply with a direction submitted to the county treasurer
781 in accordance with Subsection (9)(a).

782 (c) The provisions of this Subsection (9) do not:

783 (i) affect the right or ability of a local entity to pursue any available remedy for
784 non-payment of any item listed on a taxpayer's property tax notice; or

785 (ii) toll or otherwise change any time period related to a remedy described in
786 Subsection (9)(c)(i).