

1 **INFRASTRUCTURE FINANCING DISTRICTS**

2 2024 GENERAL SESSION

3 STATE OF UTAH

4

5 **LONG TITLE**

6 **General Description:**

7 This bill enacts and modifies provisions related to infrastructure financing districts.

8 **Highlighted Provisions:**

9 This bill:

- 10 ▶ authorizes the creation of a type of special district for the purpose of financing
- 11 infrastructure;
- 12 ▶ provides a process for the creation of an infrastructure financing district;
- 13 ▶ provides for the powers and governance of an infrastructure financing district;
- 14 ▶ authorizes an infrastructure financing district to impose an assessment on property
- 15 within the district and to issue assessment bonds to finance infrastructure within the
- 16 district;
- 17 ▶ provides for the district to have bonding authority, with limitations;
- 18 ▶ authorizes the district to levy a property tax;
- 19 ▶ requires a district to provide proof to a county or municipality that an assessment
- 20 bond has been paid in full on owner-occupied residential property before the county
- 21 or municipality may issue a certificate of occupancy;
- 22 ▶ provides for the annexation of an area to an infrastructure financing district, the
- 23 withdrawal of an area from a district, and for dissolution of a district;
- 24 ▶ authorizes sponsors of a petition to create an infrastructure financing district to
- 25 create a governing document with provisions that govern the district, including
- 26 providing for board membership and the transition from appointed board positions
- 27 to elected board positions; and
- 28 ▶ makes technical and conforming changes.

29 **Money Appropriated in this Bill:**

30 None

31 **Other Special Clauses:**

32 None

33 **Utah Code Sections Affected:**

34 AMENDS:

- 35 **10-9a-509**, as last amended by Laws of Utah 2023, Chapter 478
- 36 **11-42-102**, as last amended by Laws of Utah 2023, Chapter 16
- 37 **11-42-106**, as last amended by Laws of Utah 2021, Chapters 314, 415
- 38 **11-42-201**, as last amended by Laws of Utah 2021, Chapter 314
- 39 **11-42-202**, as last amended by Laws of Utah 2023, Chapter 435
- 40 **17-27a-508**, as last amended by Laws of Utah 2023, Chapter 478
- 41 **17B-1-102**, as last amended by Laws of Utah 2023, Chapter 15
- 42 **17B-1-103**, as last amended by Laws of Utah 2023, Chapter 15
- 43 **17B-1-105**, as last amended by Laws of Utah 2023, Chapter 15
- 44 **17B-1-201**, as last amended by Laws of Utah 2023, Chapter 15
- 45 **17B-1-202**, as last amended by Laws of Utah 2023, Chapter 15
- 46 **17B-1-203**, as last amended by Laws of Utah 2023, Chapter 15
- 47 **17B-1-204**, as last amended by Laws of Utah 2023, Chapter 15
- 48 **17B-1-205**, as last amended by Laws of Utah 2023, Chapters 15, 116
- 49 **17B-1-208**, as last amended by Laws of Utah 2023, Chapter 15
- 50 **17B-1-209**, as last amended by Laws of Utah 2023, Chapters 15, 116
- 51 **17B-1-210**, as last amended by Laws of Utah 2023, Chapter 15
- 52 **17B-1-211**, as last amended by Laws of Utah 2023, Chapters 15, 435
- 53 **17B-1-213**, as last amended by Laws of Utah 2023, Chapter 15
- 54 **17B-1-214**, as last amended by Laws of Utah 2023, Chapter 15
- 55 **17B-1-215**, as last amended by Laws of Utah 2023, Chapter 15
- 56 **17B-1-216**, as last amended by Laws of Utah 2023, Chapter 15
- 57 **17B-1-302**, as last amended by Laws of Utah 2023, Chapters 15, 100
- 58 **17B-1-303**, as last amended by Laws of Utah 2023, Chapter 15
- 59 **17B-1-306.5**, as last amended by Laws of Utah 2023, Chapter 15
- 60 **17B-1-403**, as last amended by Laws of Utah 2023, Chapter 15
- 61 **17B-1-404**, as last amended by Laws of Utah 2023, Chapter 15
- 62 **17B-1-405**, as last amended by Laws of Utah 2023, Chapter 15
- 63 **17B-1-414**, as last amended by Laws of Utah 2023, Chapter 15

64 **17B-1-504**, as last amended by Laws of Utah 2023, Chapter 15
 65 **17B-1-506**, as last amended by Laws of Utah 2023, Chapters 15, 116
 66 **17B-1-511**, as last amended by Laws of Utah 2023, Chapter 15
 67 **17B-1-1001**, as last amended by Laws of Utah 2023, Chapter 15
 68 **17B-1-1002**, as last amended by Laws of Utah 2023, Chapter 15
 69 **17B-1-1302**, as last amended by Laws of Utah 2023, Chapter 15
 70 **17B-1-1303**, as last amended by Laws of Utah 2023, Chapter 15
 71 **17B-1-1310**, as last amended by Laws of Utah 2023, Chapter 15
 72 **17B-1-1402**, as last amended by Laws of Utah 2023, Chapter 15
 73 **17B-2a-404**, as last amended by Laws of Utah 2018, Chapter 112
 74 **17B-2a-405**, as last amended by Laws of Utah 2017, Chapter 112
 75 **17B-2a-407**, as enacted by Laws of Utah 2023, Chapter 15 and further amended by
 76 Revisor Instructions, Laws of Utah 2023, Chapter 16
 77 **17B-2a-604**, as last amended by Laws of Utah 2018, Chapter 112
 78 **17B-2a-704**, as last amended by Laws of Utah 2019, Chapter 40
 79 **17B-2a-905**, as last amended by Laws of Utah 2019, Chapter 108
 80 **20A-1-512**, as last amended by Laws of Utah 2023, Chapters 15, 435
 81 **52-4-207**, as last amended by Laws of Utah 2023, Chapter 100

82 ENACTS:

83 **17B-1-405.5**, Utah Code Annotated 1953
 84 **17B-2a-1301**, Utah Code Annotated 1953
 85 **17B-2a-1302**, Utah Code Annotated 1953
 86 **17B-2a-1303**, Utah Code Annotated 1953
 87 **17B-2a-1304**, Utah Code Annotated 1953
 88 **17B-2a-1305**, Utah Code Annotated 1953
 89 **17B-2a-1306**, Utah Code Annotated 1953

90

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

92 Section 1. Section **10-9a-509** is amended to read:

93 **10-9a-509. Applicant's entitlement to land use application approval --**

94 **Municipality's requirements and limitations -- Vesting upon submission of development**
95 **plan and schedule.**

96 (1) (a) (i) An applicant who has submitted a complete land use application as described
97 in Subsection (1)(c), including the payment of all application fees, is entitled to substantive
98 review of the application under the land use regulations:

99 (A) in effect on the date that the application is complete; and

100 (B) applicable to the application or to the information shown on the application.

101 (ii) An applicant is entitled to approval of a land use application if the application
102 conforms to the requirements of the applicable land use regulations, land use decisions, and
103 development standards in effect when the applicant submits a complete application and pays
104 application fees, unless:

105 (A) the land use authority, on the record, formally finds that a compelling,
106 countervailing public interest would be jeopardized by approving the application and specifies
107 the compelling, countervailing public interest in writing; or

108 (B) in the manner provided by local ordinance and before the applicant submits the
109 application, the municipality formally initiates proceedings to amend the municipality's land
110 use regulations in a manner that would prohibit approval of the application as submitted.

111 (b) The municipality shall process an application without regard to proceedings the
112 municipality initiated to amend the municipality's ordinances as described in Subsection
113 (1)(a)(ii)(B) if:

114 (i) 180 days have passed since the municipality initiated the proceedings; and

115 (ii) (A) the proceedings have not resulted in an enactment that prohibits approval of the
116 application as submitted; or

117 (B) during the 12 months prior to the municipality processing the application, or
118 multiple applications of the same type, are impaired or prohibited under the terms of a
119 temporary land use regulation adopted under Section 10-9a-504.

120 (c) A land use application is considered submitted and complete when the applicant
121 provides the application in a form that complies with the requirements of applicable ordinances
122 and pays all applicable fees.

123 (d) A subsequent incorporation of a municipality or a petition that proposes the
124 incorporation of a municipality does not affect a land use application approved by a county in

125 accordance with Section 17-27a-508.

126 (e) The continuing validity of an approval of a land use application is conditioned upon
127 the applicant proceeding after approval to implement the approval with reasonable diligence.

128 (f) A municipality may not impose on an applicant who has submitted a complete
129 application a requirement that is not expressed in:

130 (i) this chapter;

131 (ii) a municipal ordinance in effect on the date that the applicant submits a complete
132 application, subject to Subsection 10-9a-509(1)(a)(ii); or

133 (iii) a municipal specification for public improvements applicable to a subdivision or
134 development that is in effect on the date that the applicant submits an application.

135 (g) A municipality may not impose on a holder of an issued land use permit or a final,
136 unexpired subdivision plat a requirement that is not expressed:

137 (i) in a land use permit;

138 (ii) on the subdivision plat;

139 (iii) in a document on which the land use permit or subdivision plat is based;

140 (iv) in the written record evidencing approval of the land use permit or subdivision
141 plat;

142 (v) in this chapter;

143 (vi) in a municipal ordinance; or

144 (vii) in a municipal specification for residential roadways in effect at the time a
145 residential subdivision was approved.

146 (h) Except as provided in Subsection (1)(i) or (j), a municipality may not withhold
147 issuance of a certificate of occupancy or acceptance of subdivision improvements because of an
148 applicant's failure to comply with a requirement that is not expressed:

149 (i) in the building permit or subdivision plat, documents on which the building permit
150 or subdivision plat is based, or the written record evidencing approval of the land use permit or
151 subdivision plat; or

152 (ii) in this chapter or the municipality's ordinances.

153 (i) A municipality may not unreasonably withhold issuance of a certificate of
154 occupancy where an applicant has met all requirements essential for the public health, public
155 safety, and general welfare of the occupants, in accordance with this chapter, unless:

156 (i) the applicant and the municipality have agreed in a written document to the
157 withholding of a certificate of occupancy; or

158 (ii) the applicant has not provided a financial assurance for required and uncompleted
159 public landscaping improvements or infrastructure improvements in accordance with an
160 applicable ordinance that the legislative body adopts under this chapter.

161 (j) A municipality may not issue a certificate of occupancy for an owner-occupied
162 residential unit that is within the boundary of an infrastructure financing district, as defined in
163 Section 17B-1-102, until the infrastructure financing district provides adequate proof to the
164 municipality that any lien on the unit arising from the infrastructure financing district's
165 assessment against the unit under Title 11, Chapter 42, Assessment Area Act, has been released
166 after payment in full of the infrastructure financing district's assessment against that unit.

167 (2) A municipality is bound by the terms and standards of applicable land use
168 regulations and shall comply with mandatory provisions of those regulations.

169 (3) A municipality may not, as a condition of land use application approval, require a
170 person filing a land use application to obtain documentation regarding a school district's
171 willingness, capacity, or ability to serve the development proposed in the land use application.

172 (4) Upon a specified public agency's submission of a development plan and schedule as
173 required in Subsection 10-9a-305(8) that complies with the requirements of that subsection, the
174 specified public agency vests in the municipality's applicable land use maps, zoning map,
175 hookup fees, impact fees, other applicable development fees, and land use regulations in effect
176 on the date of submission.

177 (5) (a) If sponsors of a referendum timely challenge a project in accordance with
178 Subsection 20A-7-601(6), the project's affected owner may rescind the project's land use
179 approval by delivering a written notice:

180 (i) to the local clerk as defined in Section 20A-7-101; and

181 (ii) no later than seven days after the day on which a petition for a referendum is
182 determined sufficient under Subsection 20A-7-607(5).

183 (b) Upon delivery of a written notice described in Subsection (5)(a) the following are
184 rescinded and are of no further force or effect:

185 (i) the relevant land use approval; and

186 (ii) any land use regulation enacted specifically in relation to the land use approval.

187 Section 2. Section **11-42-102** is amended to read:

188 **11-42-102. Definitions.**

189 (1) As used in this chapter:

190 (a) "Adequate protests" means, for all proposed assessment areas except sewer
191 assessment areas, timely filed, written protests under Section 11-42-203 that represent at least
192 40% of the frontage, area, taxable value, fair market value, lots, number of connections, or
193 equivalent residential units of the property proposed to be assessed, according to the same
194 assessment method by which the assessment is proposed to be levied, after eliminating:

195 (i) protests relating to:

196 (A) property that has been deleted from a proposed assessment area; or

197 (B) an improvement that has been deleted from the proposed improvements to be
198 provided to property within the proposed assessment area; and

199 (ii) protests that have been withdrawn under Subsection 11-42-203(3).

200 (b) "Adequate protests" means, for a proposed sewer assessment area, timely filed,
201 written protests under Section 11-42-203 that represent at least 70% of the frontage, area,
202 taxable value, fair market value, lots, number of connections, or equivalent residential units of
203 the property proposed to be assessed, according to the same assessment method by which the
204 assessment is proposed to be levied, after eliminating adequate protests under Subsection
205 (1)(a).

206 (2) "Assessment area" means an area, or, if more than one area is designated, the
207 aggregate of all areas within a local entity's jurisdictional boundaries that is designated by a
208 local entity under Part 2, Designating an Assessment Area, for the purpose of financing the
209 costs of improvements, operation and maintenance, or economic promotion activities that
210 benefit property within the area.

211 (3) "Assessment bonds" means bonds that are:

212 (a) issued under Section 11-42-605; and

213 (b) payable in part or in whole from assessments levied in an assessment area,
214 improvement revenues, and a guaranty fund or reserve fund.

215 (4) "Assessment fund" means a special fund that a local entity establishes under
216 Section 11-42-412.

217 (5) "Assessment lien" means a lien on property within an assessment area that arises

218 from the levy of an assessment, as provided in Section 11-42-501.

219 (6) "Assessment method" means the method:

220 (a) by which an assessment is levied against benefitted property, whether by frontage,
221 area, taxable value, fair market value, lot, parcel, number of connections, equivalent residential
222 unit, any combination of these methods, or any other method; and

223 (b) that, when applied to a benefitted property, accounts for an assessment that meets
224 the requirements of Section 11-42-409.

225 (7) "Assessment ordinance" means an ordinance adopted by a local entity under
226 Section 11-42-404 that levies an assessment on benefitted property within an assessment area.

227 (8) "Assessment resolution" means a resolution adopted by a local entity under Section
228 11-42-404 that levies an assessment on benefitted property within an assessment area.

229 (9) "Benefitted property" means property within an assessment area that directly or
230 indirectly benefits from improvements, operation and maintenance, or economic promotion
231 activities.

232 (10) "Bond anticipation notes" means notes issued under Section 11-42-602 in
233 anticipation of the issuance of assessment bonds.

234 (11) "Bonds" means assessment bonds and refunding assessment bonds.

235 (12) "Commercial area" means an area in which at least 75% of the property is devoted
236 to the interchange of goods or commodities.

237 (13) (a) "Commercial or industrial real property" means real property used directly or
238 indirectly or held for one of the following purposes or activities, regardless of whether the
239 purpose or activity is for profit:

240 (i) commercial;

241 (ii) mining;

242 (iii) industrial;

243 (iv) manufacturing;

244 (v) governmental;

245 (vi) trade;

246 (vii) professional;

247 (viii) a private or public club;

248 (ix) a lodge;

- 249 (x) a business; or
- 250 (xi) a similar purpose.
- 251 (b) "Commercial or industrial real property" includes real property that:
- 252 (i) is used as or held for dwelling purposes; and
- 253 (ii) contains more than four rental units.
- 254 (14) "Connection fee" means a fee charged by a local entity to pay for the costs of
- 255 connecting property to a publicly owned sewer, storm drainage, water, gas, communications, or
- 256 electrical system, whether or not improvements are installed on the property.
- 257 (15) "Contract price" means:
- 258 (a) the cost of acquiring an improvement, if the improvement is acquired; or
- 259 (b) the amount payable to one or more contractors for the design, engineering,
- 260 inspection, and construction of an improvement.
- 261 (16) "Designation ordinance" means an ordinance adopted by a local entity under
- 262 Section 11-42-206 designating an assessment area.
- 263 (17) "Designation resolution" means a resolution adopted by a local entity under
- 264 Section 11-42-206 designating an assessment area.
- 265 (18) "Development authority" means:
- 266 (a) the Utah Inland Port Authority created in Section 11-58-201; or
- 267 (b) the military installation development authority created in Section 63H-1-201.
- 268 (19) "Economic promotion activities" means activities that promote economic growth
- 269 in a commercial area of a local entity, including:
- 270 (a) sponsoring festivals and markets;
- 271 (b) promoting business investment or activities;
- 272 (c) helping to coordinate public and private actions; and
- 273 (d) developing and issuing publications designed to improve the economic well-being
- 274 of the commercial area.
- 275 (20) "Environmental remediation activity" means a surface or subsurface enhancement,
- 276 effort, cost, initial or ongoing maintenance expense, facility, installation, system, earth
- 277 movement, or change to grade or elevation that improves the use, function, aesthetics, or
- 278 environmental condition of publicly owned property.
- 279 (21) "Equivalent residential unit" means a dwelling, unit, or development that is equal

280 to a single-family residence in terms of the nature of its use or impact on an improvement to be
281 provided in the assessment area.

282 (22) "Governing body" means:

283 (a) for a county, city, or town, the legislative body of the county, city, or town;

284 (b) for a special district, the board of trustees of the special district;

285 (c) for a special service district:

286 (i) the legislative body of the county, city, or town that established the special service
287 district, if no administrative control board has been appointed under Section 17D-1-301; or

288 (ii) the administrative control board of the special service district, if an administrative
289 control board has been appointed under Section 17D-1-301;

290 (d) for the military installation development authority created in Section 63H-1-201,
291 the board, as defined in Section 63H-1-102;

292 (e) for the Utah Inland Port Authority, created in Section 11-58-201, the board, as
293 defined in Section 11-58-102; and

294 (f) for a public infrastructure district, the board of the public infrastructure district as
295 defined in Section 17D-4-102.

296 (23) "Guaranty fund" means the fund established by a local entity under Section
297 11-42-701.

298 (24) "Improved property" means property upon which a residential, commercial, or
299 other building has been built.

300 (25) "Improvement":

301 (a) (i) means a publicly owned infrastructure, facility, system, or environmental
302 remediation activity that:

303 (A) a local entity is authorized to provide or finance;

304 (B) the governing body of a local entity determines is necessary or convenient to
305 enable the local entity to provide a service that the local entity is authorized to provide; or

306 (C) a local entity is requested to provide through an interlocal agreement in accordance
307 with Chapter 13, Interlocal Cooperation Act; and

308 (ii) includes facilities in an assessment area, including a private driveway, an irrigation
309 ditch, and a water turnout, that:

310 (A) can be conveniently installed at the same time as an infrastructure, system, or other

311 facility described in Subsection (25)(a)(i); and

312 (B) are requested by a property owner on whose property or for whose benefit the
313 infrastructure, system, or other facility is being installed; or

314 (b) for a special district created to assess groundwater rights in accordance with
315 Section 17B-1-202, means a system or plan to regulate groundwater withdrawals within a
316 specific groundwater basin in accordance with Sections 17B-1-202 and 73-5-15.

317 (26) "Improvement revenues":

318 (a) means charges, fees, impact fees, or other revenues that a local entity receives from
319 improvements; and

320 (b) does not include revenue from assessments.

321 (27) "Incidental refunding costs" means any costs of issuing refunding assessment
322 bonds and calling, retiring, or paying prior bonds, including:

323 (a) legal and accounting fees;

324 (b) charges of financial advisors, escrow agents, certified public accountant verification
325 entities, and trustees;

326 (c) underwriting discount costs, printing costs, the costs of giving notice;

327 (d) any premium necessary in the calling or retiring of prior bonds;

328 (e) fees to be paid to the local entity to issue the refunding assessment bonds and to
329 refund the outstanding prior bonds;

330 (f) any other costs that the governing body determines are necessary and proper to incur
331 in connection with the issuance of refunding assessment bonds; and

332 (g) any interest on the prior bonds that is required to be paid in connection with the
333 issuance of the refunding assessment bonds.

334 (28) "Installment payment date" means the date on which an installment payment of an
335 assessment is payable.

336 (29) "Interim warrant" means a warrant issued by a local entity under Section
337 11-42-601.

338 (30) "Jurisdictional boundaries" means:

339 (a) for a county, the boundaries of the unincorporated area of the county; and

340 (b) for each other local entity, the boundaries of the local entity.

341 (31) "Local entity" means:

- 342 (a) a county, city, town, special service district, or special district;
- 343 (b) an interlocal entity as defined in Section 11-13-103;
- 344 (c) the military installation development authority, created in Section 63H-1-201;
- 345 (d) a public infrastructure district under Title 17D, Chapter 4, Public Infrastructure
- 346 District Act, including a public infrastructure district created by a development authority;
- 347 (e) the Utah Inland Port Authority, created in Section 11-58-201; or
- 348 (f) any other political subdivision of the state.
- 349 (32) "Local entity obligations" means assessment bonds, refunding assessment bonds,
- 350 interim warrants, and bond anticipation notes issued by a local entity.
- 351 (33) "Mailing address" means:
- 352 (a) a property owner's last-known address using the name and address appearing on the
- 353 last completed real property assessment roll of the county in which the property is located; and
- 354 (b) if the property is improved property:
- 355 (i) the property's street number; or
- 356 (ii) the post office box, rural route number, or other mailing address of the property, if
- 357 a street number has not been assigned.
- 358 (34) "Net improvement revenues" means all improvement revenues that a local entity
- 359 has received since the last installment payment date, less all amounts payable by the local entity
- 360 from those improvement revenues for operation and maintenance costs.
- 361 (35) "Operation and maintenance costs":
- 362 (a) means the costs that a local entity incurs in operating and maintaining
- 363 improvements in an assessment area, whether or not those improvements have been financed
- 364 under this chapter; and
- 365 (b) includes service charges, administrative costs, ongoing maintenance charges, and
- 366 tariffs or other charges for electrical, water, gas, or other utility usage.
- 367 (36) "Overhead costs" means the actual costs incurred or the estimated costs to be
- 368 incurred by a local entity in connection with an assessment area for appraisals, legal fees, filing
- 369 fees, financial advisory charges, underwriting fees, placement fees, escrow, trustee, and paying
- 370 agent fees, publishing and mailing costs, costs of levying an assessment, recording costs, and
- 371 all other incidental costs.
- 372 (37) "Prior assessment ordinance" means the ordinance levying the assessments from

373 which the prior bonds are payable.

374 (38) "Prior assessment resolution" means the resolution levying the assessments from
375 which the prior bonds are payable.

376 (39) "Prior bonds" means the assessment bonds that are refunded in part or in whole by
377 refunding assessment bonds.

378 (40) "Project engineer" means the surveyor or engineer employed by or the private
379 consulting engineer engaged by a local entity to perform the necessary engineering services for
380 and to supervise the construction or installation of the improvements.

381 (41) "Property" includes real property and any interest in real property, including water
382 rights and leasehold rights.

383 (42) "Property price" means the price at which a local entity purchases or acquires by
384 eminent domain property to make improvements in an assessment area.

385 (43) "Provide" or "providing," with reference to an improvement, includes the
386 acquisition, construction, reconstruction, renovation, maintenance, repair, operation, and
387 expansion of an improvement.

388 (44) "Public agency" means:

389 (a) the state or any agency, department, or division of the state; and

390 (b) a political subdivision of the state.

391 (45) "Reduced payment obligation" means the full obligation of an owner of property
392 within an assessment area to pay an assessment levied on the property after the assessment has
393 been reduced because of the issuance of refunding assessment bonds, as provided in Section
394 11-42-608.

395 (46) "Refunding assessment bonds" means assessment bonds that a local entity issues
396 under Section 11-42-607 to refund, in part or in whole, assessment bonds.

397 (47) "Reserve fund" means a fund established by a local entity under Section
398 11-42-702.

399 (48) "Service" means:

400 (a) water, sewer, storm drainage, garbage collection, library, recreation,
401 communications, or electric service;

402 (b) economic promotion activities; or

403 (c) any other service that a local entity is required or authorized to provide.

404 (49) (a) "Sewer assessment area" means an assessment area that has as the assessment
405 area's primary purpose the financing and funding of public improvements to provide sewer
406 service where there is, in the opinion of the local board of health, substantial evidence of septic
407 system failure in the defined area due to inadequate soils, high water table, or other factors
408 proven to cause failure.

409 (b) "Sewer assessment area" does not include property otherwise located within the
410 assessment area:

411 (i) on which an approved conventional or advanced wastewater system has been
412 installed during the previous five calendar years;

413 (ii) for which the local health department has inspected the system described in
414 Subsection (49)(b)(i) to ensure that the system is functioning properly; and

415 (iii) for which the property owner opts out of the proposed assessment area for the
416 earlier of a period of 10 calendar years or until failure of the system described in Subsection
417 (49)(b)(i).

418 (50) "Special district" means a special district under Title 17B, Limited Purpose Local
419 Government Entities - Special Districts.

420 (51) "Special service district" means the same as that term is defined in Section
421 17D-1-102.

422 (52) "Unassessed benefitted government property" means property that a local entity
423 may not assess in accordance with Section 11-42-408 but is benefitted by an improvement,
424 operation and maintenance, or economic promotion activities.

425 (53) "Unimproved property" means property upon which no residential, commercial, or
426 other building has been built.

427 (54) "Voluntary assessment area" means an assessment area that contains only property
428 whose owners have voluntarily consented to an assessment.

429 Section 3. Section **11-42-106** is amended to read:

430 **11-42-106. Action to contest assessment or proceeding -- Requirements --**
431 **Exclusive remedy -- Bonds and assessment incontestable.**

432 (1) A person who contests an assessment or any proceeding to designate an assessment
433 area or levy an assessment may commence a civil action against the local entity to:

434 (a) set aside a proceeding to designate an assessment area; or

435 (b) enjoin the levy or collection of an assessment.

436 (2) (a) Each action under Subsection (1) shall be commenced in the district court with
437 jurisdiction in the county in which the assessment area is located.

438 (b) (i) Except as provided in Subsection (2)(b)(ii), an action under Subsection (1) may
439 not be commenced against and a summons relating to the action may not be served on the local
440 entity more than 60 days after the effective date of the:

441 (A) designation resolution or designation ordinance, if the challenge is to the
442 designation of an assessment area;

443 (B) assessment resolution or ordinance, if the challenge is to an assessment; or

444 (C) amended resolution or ordinance, if the challenge is to an amendment.

445 (ii) The period for commencing an action and serving a summons under Subsection
446 (2)(b)(i) is 30 days if [~~the designation resolution, assessment resolution, or amended resolution~~
447 ~~was~~]:

448 (A) the designation resolution, assessment resolution, or amended resolution was
449 adopted by a development authority [or], an infrastructure financing district under Title 17B,
450 Chapter 2a, Part 13, Infrastructure Financing Districts, or a public infrastructure district created
451 by a development authority under Title 17D, Chapter 4, Public Infrastructure District Act; and

452 (B) all owners of property within the assessment area or proposed assessment area
453 consent in writing to the designation resolution, assessment resolution, or amended resolution.

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

455 (i) claims an error or irregularity in an assessment or in any proceeding to designate an
456 assessment area or levy an assessment; or

457 (ii) challenges a bondholder's right to repayment.

458 (b) A court may not hear any complaint under Subsection (1) that a person was
459 authorized to make but did not make in a protest under Section 11-42-203 or at a hearing under
460 Section 11-42-204.

461 (c) (i) If a person has not brought a claim for which the person was previously
462 authorized to bring but is otherwise barred from making under Subsection (2)(b), the claim
463 may not be brought later because of an amendment to the resolution or ordinance unless the
464 claim arises from the amendment itself.

465 (ii) In an action brought pursuant to Subsection (1), a person may not contest a

466 previous decision, proceeding, or determination for which the service deadline described in
467 Subsection (2)(b) has expired by challenging a subsequent decision, proceeding, or
468 determination.

469 (4) An assessment or a proceeding to designate an assessment area or to levy an
470 assessment may not be declared invalid or set aside in part or in whole because of an error or
471 irregularity that does not go to the equity or justice of the proceeding or the assessment meeting
472 the requirements of Section 11-42-409.

473 (5) After the expiration of the period referred to in Subsection (2)(b):

474 (a) assessment bonds and refunding assessment bonds issued or to be issued with
475 respect to an assessment area and assessments levied on property in the assessment area
476 become at that time incontestable against all persons who have not commenced an action and
477 served a summons as provided in this section; and

478 (b) a suit to enjoin the issuance or payment of assessment bonds or refunding
479 assessment bonds, the levy, collection, or enforcement of an assessment, or to attack or
480 question in any way the legality of assessment bonds, refunding assessment bonds, or an
481 assessment may not be commenced, and a court may not inquire into those matters.

482 (6) (a) This section may not be interpreted to insulate a local entity from a claim of
483 misuse of assessment funds after the expiration of the period described in Subsection (2)(b).

484 (b) (i) Except as provided in Subsection (6)(b)(ii), an action in the nature of mandamus
485 is the sole form of relief available to a party challenging the misuse of assessment funds.

486 (ii) The limitation in Subsection (6)(b)(i) does not prohibit the filing of criminal
487 charges against or the prosecution of a party for the misuse of assessment funds.

488 Section 4. Section **11-42-201** is amended to read:

489 **11-42-201. Resolution or ordinance designating an assessment area --**

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

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

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

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

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

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

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

505 (ii) except for an assessment area within a public infrastructure district created under
 506 Title 17D, Chapter 4, Public Infrastructure District Act, or within an infrastructure financing
 507 district as defined in Section 17B-1-102, may not be coextensive or substantially coterminous
 508 with the boundaries of the local entity.

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

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

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

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

514 Section 5. Section **11-42-202** is amended to read:

515 **11-42-202. Requirements applicable to a notice of a proposed assessment area**
 516 **designation -- Notice.**

517 (1) Each notice required under Subsection 11-42-201(2)(a) shall:

518 (a) state that the local entity proposes to:

519 (i) designate one or more areas within the local entity's jurisdictional boundaries as an
 520 assessment area; and

521 (ii) (A) provide an improvement to property within the proposed assessment area[;]

522 and

523 [~~(iii)~~] finance some or all of the cost of improvements by an assessment on benefitted
 524 property within the assessment area; or

525 (B) finance improvements to property within the proposed assessment area through an
 526 assessment on benefitted property within the assessment area;

527 (b) describe the proposed assessment area by any reasonable method that allows an

528 owner of property in the proposed assessment area to determine that the owner's property is
529 within the proposed assessment area;

530 (c) describe, in a general and reasonably accurate way, the improvements to be
531 provided to the assessment area, including:

532 (i) the nature of the improvements; and

533 (ii) the location of the improvements, by reference to streets or portions or extensions
534 of streets or by any other means that the governing body chooses that reasonably describes the
535 general location of the improvements;

536 (d) state the estimated cost of the improvements as determined by a project engineer;

537 (e) for the notice mailed under Subsection (4), state the estimated total assessment
538 specific to the benefitted property for which the notice is mailed;

539 (f) state that the local entity proposes to levy an assessment on benefitted property
540 within the assessment area to pay some or all of the cost of the improvements according to the
541 estimated benefits to the property from the improvements;

542 (g) if applicable, state that an unassessed benefitted government property will receive
543 improvements for which the cost will be allocated proportionately to the remaining benefitted
544 properties within the proposed assessment area and that a description of each unassessed
545 benefitted government property is available for public review at the location or website
546 described in Subsection (6);

547 (h) state the assessment method by which the governing body proposes to calculate the
548 proposed assessment, including, if the local entity is a municipality or county, whether the
549 assessment will be collected:

550 (i) by directly billing a property owner; or

551 (ii) by inclusion on a property tax notice issued in accordance with Section 59-2-1317
552 and in compliance with Section 11-42-401;

553 (i) state:

554 (i) the date described in Section 11-42-203 and the location at which protests against
555 designation of the proposed assessment area or of the proposed improvements are required to
556 be filed;

557 (ii) the method by which the governing body will determine the number of protests
558 required to defeat the designation of the proposed assessment area or acquisition or

559 construction of the proposed improvements; and

560 (iii) in large, boldface, and conspicuous type that a property owner must protest the

561 designation of the assessment area in writing if the owner objects to the area designation or

562 being assessed for the proposed improvements, operation and maintenance costs, or economic

563 promotion activities;

564 (j) state the date, time, and place of the public hearing required in Section 11-42-204;

565 (k) if the governing body elects to create and fund a reserve fund under Section

566 11-42-702, include a description of:

567 (i) how the reserve fund will be funded and replenished; and

568 (ii) how remaining money in the reserve fund is to be disbursed upon full payment of

569 the bonds;

570 (l) if the governing body intends to designate a voluntary assessment area, include a

571 property owner consent form that:

572 (i) estimates the total assessment to be levied against the particular parcel of property;

573 (ii) describes any additional benefits that the governing body expects the assessed

574 property to receive from the improvements;

575 (iii) designates the date and time by which the fully executed consent form is required

576 to be submitted to the governing body; and

577 (iv) if the governing body intends to enforce an assessment lien on the property in

578 accordance with Subsection 11-42-502.1(2)(a)(ii)(C):

579 (A) appoints a trustee that satisfies the requirements described in Section 57-1-21;

580 (B) gives the trustee the power of sale;

581 (C) is binding on the property owner and all successors; and

582 (D) explains that if an assessment or an installment of an assessment is not paid when

583 due, the local entity may sell the property owner's property to satisfy the amount due plus

584 interest, penalties, and costs, in the manner described in Title 57, Chapter 1, Conveyances;

585 (m) if the local entity intends to levy an assessment to pay operation and maintenance

586 costs or for economic promotion activities, include:

587 (i) a description of the operation and maintenance costs or economic promotion

588 activities to be paid by assessments and the initial estimated annual assessment to be levied;

589 (ii) a description of how the estimated assessment will be determined;

590 (iii) a description of how and when the governing body will adjust the assessment to
591 reflect the costs of:

592 (A) in accordance with Section 11-42-406, current economic promotion activities; or

593 (B) current operation and maintenance costs;

594 (iv) a description of the method of assessment if different from the method of
595 assessment to be used for financing any improvement; and

596 (v) a statement of the maximum number of years over which the assessment will be
597 levied for:

598 (A) operation and maintenance costs; or

599 (B) economic promotion activities;

600 (n) if the governing body intends to divide the proposed assessment area into
601 classifications under Subsection 11-42-201(1)(b), include a description of the proposed
602 classifications;

603 (o) if applicable, state the portion and value of the improvement that will be increased
604 in size or capacity to serve property outside of the assessment area and how the increases will
605 be financed; and

606 (p) state whether the improvements will be financed with a bond and, if so, the
607 currently estimated interest rate and term of financing, subject to Subsection (2), for which the
608 benefitted properties within the assessment area may be obligated.

609 (2) The estimated interest rate and term of financing in Subsection (1)(p) may not be
610 interpreted as a limitation to the actual interest rate incurred or the actual term of financing as
611 subject to the market rate at the time of the issuance of the bond.

612 (3) A notice required under Subsection 11-42-201(2)(a) may contain other information
613 that the governing body considers to be appropriate, including:

614 (a) the amount or proportion of the cost of the improvement to be paid by the local
615 entity or from sources other than an assessment;

616 (b) the estimated total amount of each type of assessment for the various improvements
617 to be financed according to the method of assessment that the governing body chooses; and

618 (c) provisions for any improvements described in Subsection 11-42-102(25)(a)(ii).

619 (4) Each notice required under Subsection 11-42-201(2)(a) shall be published for the
620 governing body's jurisdiction, as a class B notice under Section 63G-30-102, for at least 20

621 days, but not more than 35 days, before the day of the hearing required in Section 11-42-204.

622 (5) (a) The local entity may record the version of the notice that is published or posted
623 in accordance with Subsection (4) with the office of the county recorder, by legal description
624 and tax identification number as identified in county records, against the property proposed to
625 be assessed.

626 (b) The notice recorded under Subsection (5)(a) expires and is no longer valid one year
627 after the day on which the local entity records the notice if the local entity has failed to adopt
628 the designation ordinance or resolution under Section 11-42-201 designating the assessment
629 area for which the notice was recorded.

630 (6) A local entity shall make available on the local entity's website, or, if no website is
631 available, at the local entity's place of business, the address and type of use of each unassessed
632 benefitted government property described in Subsection (1)(g).

633 (7) If a governing body fails to provide actual or constructive notice under this section,
634 the local entity may not assess a levy against a benefitted property omitted from the notice
635 unless:

636 (a) the property owner gives written consent;

637 (b) the property owner received notice under Subsection 11-42-401(2)(a)(iii) and did
638 not object to the levy of the assessment before the final hearing of the board of equalization; or

639 (c) the benefitted property is conveyed to a subsequent purchaser and, before the date
640 of conveyance, the requirements of Subsections 11-42-206(3)(a)(i) and (ii), or, if applicable,
641 Subsection 11-42-207(1)(d)(i) are met.

642 Section 6. Section **17-27a-508** is amended to read:

643 **17-27a-508. Applicant's entitlement to land use application approval --**
644 **Application relating to land in a high priority transportation corridor -- County's**
645 **requirements and limitations -- Vesting upon submission of development plan and**
646 **schedule.**

647 (1) (a) (i) An applicant who has submitted a complete land use application, including
648 the payment of all application fees, is entitled to substantive review of the application under the
649 land use regulations:

650 (A) in effect on the date that the application is complete; and

651 (B) applicable to the application or to the information shown on the submitted

652 application.

653 (ii) An applicant is entitled to approval of a land use application if the application
654 conforms to the requirements of the applicable land use regulations, land use decisions, and
655 development standards in effect when the applicant submits a complete application and pays all
656 application fees, unless:

657 (A) the land use authority, on the record, formally finds that a compelling,
658 countervailing public interest would be jeopardized by approving the application and specifies
659 the compelling, countervailing public interest in writing; or

660 (B) in the manner provided by local ordinance and before the applicant submits the
661 application, the county formally initiates proceedings to amend the county's land use
662 regulations in a manner that would prohibit approval of the application as submitted.

663 (b) The county shall process an application without regard to proceedings the county
664 initiated to amend the county's ordinances as described in Subsection (1)(a)(ii)(B) if:

665 (i) 180 days have passed since the county initiated the proceedings; and

666 (ii) (A) the proceedings have not resulted in an enactment that prohibits approval of the
667 application as submitted; or

668 (B) during the 12 months prior to the county processing the application or multiple
669 applications of the same type, the application is impaired or prohibited under the terms of a
670 temporary land use regulation adopted under Section 17-27a-504.

671 (c) A land use application is considered submitted and complete when the applicant
672 provides the application in a form that complies with the requirements of applicable ordinances
673 and pays all applicable fees.

674 (d) The continuing validity of an approval of a land use application is conditioned upon
675 the applicant proceeding after approval to implement the approval with reasonable diligence.

676 (e) A county may not impose on an applicant who has submitted a complete
677 application a requirement that is not expressed in:

678 (i) this chapter;

679 (ii) a county ordinance in effect on the date that the applicant submits a complete
680 application, subject to Subsection 17-27a-508(1)(a)(ii); or

681 (iii) a county specification for public improvements applicable to a subdivision or
682 development that is in effect on the date that the applicant submits an application.

683 (f) A county may not impose on a holder of an issued land use permit or a final,
684 unexpired subdivision plat a requirement that is not expressed:

685 (i) in a land use permit;

686 (ii) on the subdivision plat;

687 (iii) in a document on which the land use permit or subdivision plat is based;

688 (iv) in the written record evidencing approval of the land use permit or subdivision
689 plat;

690 (v) in this chapter;

691 (vi) in a county ordinance; or

692 (vii) in a county specification for residential roadways in effect at the time a residential
693 subdivision was approved.

694 (g) Except as provided in Subsection (1)(h) or (i), a county may not withhold issuance
695 of a certificate of occupancy or acceptance of subdivision improvements because of an
696 applicant's failure to comply with a requirement that is not expressed:

697 (i) in the building permit or subdivision plat, documents on which the building permit
698 or subdivision plat is based, or the written record evidencing approval of the building permit or
699 subdivision plat; or

700 (ii) in this chapter or the county's ordinances.

701 (h) A county may not unreasonably withhold issuance of a certificate of occupancy
702 where an applicant has met all requirements essential for the public health, public safety, and
703 general welfare of the occupants, in accordance with this chapter, unless:

704 (i) the applicant and the county have agreed in a written document to the withholding
705 of a certificate of occupancy; or

706 (ii) the applicant has not provided a financial assurance for required and uncompleted
707 public landscaping improvements or infrastructure improvements in accordance with an
708 applicable ordinance that the legislative body adopts under this chapter.

709 (i) A county may not issue a certificate of occupancy for an owner-occupied residential
710 unit that is within the boundary of an infrastructure financing district, as defined in Section
711 17B-1-102, until the infrastructure financing district provides adequate proof to the county that
712 any lien on the unit arising from the infrastructure financing district's assessment against the
713 unit under Title 11, Chapter 42, Assessment Area Act, has been released after payment in full

714 of the infrastructure financing district's assessment against that unit.

715 (2) A county is bound by the terms and standards of applicable land use regulations and
716 shall comply with mandatory provisions of those regulations.

717 (3) A county may not, as a condition of land use application approval, require a person
718 filing a land use application to obtain documentation regarding a school district's willingness,
719 capacity, or ability to serve the development proposed in the land use application.

720 (4) Upon a specified public agency's submission of a development plan and schedule as
721 required in Subsection 17-27a-305(8) that complies with the requirements of that subsection,
722 the specified public agency vests in the county's applicable land use maps, zoning map, hookup
723 fees, impact fees, other applicable development fees, and land use regulations in effect on the
724 date of submission.

725 (5) (a) If sponsors of a referendum timely challenge a project in accordance with
726 Subsection 20A-7-601(6), the project's affected owner may rescind the project's land use
727 approval by delivering a written notice:

728 (i) to the local clerk as defined in Section 20A-7-101; and

729 (ii) no later than seven days after the day on which a petition for a referendum is
730 determined sufficient under Subsection 20A-7-607(5).

731 (b) Upon delivery of a written notice described in Subsection(5)(a) the following are
732 rescinded and are of no further force or effect:

733 (i) the relevant land use approval; and

734 (ii) any land use regulation enacted specifically in relation to the land use approval.

735 Section 7. Section **17B-1-102** is amended to read:

736 **17B-1-102. Definitions.**

737 As used in this title:

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

740 (2) "Basic special district":

741 (a) means a special district that is not a specialized special district; and

742 (b) includes an entity that was, under the law in effect before April 30, 2007, created
743 and operated as a special district, as defined under the law in effect before April 30, 2007.

744 (3) "Bond" means:

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

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

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

749 (ii) the district's board of trustees, in its discretion, treats as a bond for purposes of Title
750 11, Chapter 14, Local Government Bonding Act, or Title 11, Chapter 27, Utah Refunding Bond
751 Act.

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

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

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

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

767 (8) "General obligation bond":

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

770 (i) levied:

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

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

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

774 and

775 (b) does not include:

- 776 (i) a short-term bond;
- 777 (ii) a tax and revenue anticipation bond; or
- 778 (iii) a special assessment bond.
- 779 (9) "Improvement assurance" means a surety bond, letter of credit, cash, or other
- 780 security:
- 781 (a) to guarantee the proper completion of an improvement;
- 782 (b) that is required before a special district may provide a service requested by a
- 783 service applicant; and
- 784 (c) that is offered to a special district to induce the special district before construction
- 785 of an improvement begins to:
- 786 (i) provide the requested service; or
- 787 (ii) commit to provide the requested service.
- 788 (10) "Improvement assurance warranty" means a promise that the materials and
- 789 workmanship of an improvement:
- 790 (a) comply with standards adopted by a special district; and
- 791 (b) will not fail in any material respect within an agreed warranty period.
- 792 (11) "Improvement district" means a special district that operates under and is subject
- 793 to the provisions of this chapter and Chapter 2a, Part 4, Improvement District Act, including an
- 794 entity that was created and operated as a county improvement district under the law in effect
- 795 before April 30, 2007.
- 796 (12) "Infrastructure financing district" means a special district that operates under and
- 797 is subject to the provisions of this chapter and Chapter 2a, Part 13, Infrastructure Financing
- 798 Districts.
- 799 [~~(12)~~] (13) "Irrigation district" means a special district that operates under and is
- 800 subject to the provisions of this chapter and Chapter 2a, Part 5, Irrigation District Act,
- 801 including an entity that was created and operated as an irrigation district under the law in effect
- 802 before April 30, 2007.
- 803 [~~(13)~~] (14) "Metropolitan water district" means a special district that operates under
- 804 and is subject to the provisions of this chapter and Chapter 2a, Part 6, Metropolitan Water
- 805 District Act, including an entity that was created and operated as a metropolitan water district
- 806 under the law in effect before April 30, 2007.

807 ~~[(14)]~~ (15) "Mosquito abatement district" means a special district that operates under
808 and is subject to the provisions of this chapter and Chapter 2a, Part 7, Mosquito Abatement
809 District Act, including an entity that was created and operated as a mosquito abatement district
810 under the law in effect before April 30, 2007.

811 ~~[(15)]~~ (16) "Municipal" means of or relating to a municipality.

812 ~~[(16)]~~ (17) "Municipality" means a city, town, or metro township.

813 ~~[(17)]~~ (18) "Municipal services district" means a special district that operates under and
814 is subject to the provisions of this chapter and Chapter 2a, Part 11, Municipal Services District
815 Act.

816 ~~[(18)]~~ (19) "Person" means an individual, corporation, partnership, organization,
817 association, trust, governmental agency, or other legal entity.

818 ~~[(19)]~~ (20) "Political subdivision" means a county, city, town, metro township, special
819 district under this title, special service district under Title 17D, Chapter 1, Special Service
820 District Act, an entity created by interlocal cooperation agreement under Title 11, Chapter 13,
821 Interlocal Cooperation Act, or any other governmental entity designated in statute as a political
822 subdivision of the state.

823 ~~[(20)]~~ (21) "Private," with respect to real property, means not owned by the United
824 States or any agency of the federal government, the state, a county, or a political subdivision.

825 ~~[(21)]~~ (22) "Public entity" means:

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

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

828 (c) a political subdivision of the state or an agency of a political subdivision of the
829 state;

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

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

832 ~~[(22)]~~ (23) "Public transit district" means a special district that operates under and is
833 subject to the provisions of this chapter and Chapter 2a, Part 8, Public Transit District Act,
834 including an entity that was created and operated as a public transit district under the law in
835 effect before April 30, 2007.

836 ~~[(23)]~~ (24) "Revenue bond":

837 (a) means a bond payable from designated taxes or other revenues other than the

838 special district's ad valorem property taxes; and

839 (b) does not include:

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

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

843 (iii) a special assessment bond.

844 [~~24~~] (25) "Rules of order and procedure" means a set of rules that govern and
845 prescribe in a public meeting:

846 (a) parliamentary order and procedure;

847 (b) ethical behavior; and

848 (c) civil discourse.

849 [~~25~~] (26) "Service applicant" means a person who requests that a special district
850 provide a service that the special district is authorized to provide.

851 [~~26~~] (27) "Service area" means a special district that operates under and is subject to
852 the provisions of this chapter and Chapter 2a, Part 9, Service Area Act, including an entity that
853 was created and operated as a county service area or a regional service area under the law in
854 effect before April 30, 2007.

855 [~~27~~] (28) "Short-term bond" means a bond that is required to be repaid during the
856 fiscal year in which the bond is issued.

857 [~~28~~] (29) "Special assessment" means an assessment levied against property to pay all
858 or a portion of the costs of making improvements that benefit the property.

859 [~~29~~] (30) "Special assessment bond" means a bond payable from special assessments.

860 [~~30~~] (31) "Special district" means a limited purpose local government entity, as
861 described in Section 17B-1-103, that operates under, is subject to, and has the powers
862 described in:

863 (a) this chapter; or

864 (b) (i) this chapter; and

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

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

867 (C) Chapter 2a, Part 3, Fire Protection District Act;

868 (D) Chapter 2a, Part 4, Improvement District Act;

- 869 (E) Chapter 2a, Part 5, Irrigation District Act;
 870 (F) Chapter 2a, Part 6, Metropolitan Water District Act;
 871 (G) Chapter 2a, Part 7, Mosquito Abatement District Act;
 872 (H) Chapter 2a, Part 8, Public Transit District Act;
 873 (I) Chapter 2a, Part 9, Service Area Act;
 874 (J) Chapter 2a, Part 10, Water Conservancy District Act; ~~[or]~~
 875 (K) Chapter 2a, Part 11, Municipal Services District Act~~[-];~~ or
 876 (L) Chapter 2a, Part 13, Infrastructure Financing Districts.

877 ~~[(31)]~~ (32) "Specialized special district" means a special district that is a cemetery
 878 maintenance district, a drainage district, a fire protection district, an improvement district, an
 879 irrigation district, a metropolitan water district, a mosquito abatement district, a public transit
 880 district, a service area, a water conservancy district, a municipal services district, ~~[or]~~ ~~[a public~~
 881 ~~infrastructure district]~~, or an infrastructure financing district.

882 ~~[(32)]~~ (33) "Taxable value" means the taxable value of property as computed from the
 883 most recent equalized assessment roll for county purposes.

884 ~~[(33)]~~ (34) "Tax and revenue anticipation bond" means a bond:

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

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

889 ~~[(34)]~~ (35) "Unincorporated" means not included within a municipality.

890 ~~[(35)]~~ (36) "Water conservancy district" means a special district that operates under
 891 and is subject to the provisions of this chapter and Chapter 2a, Part 10, Water Conservancy
 892 District Act, including an entity that was created and operated as a water conservancy district
 893 under the law in effect before April 30, 2007.

894 ~~[(36)]~~ (37) "Works" includes a dam, reservoir, well, canal, conduit, pipeline, drain,
 895 tunnel, power plant, and any facility, improvement, or property necessary or convenient for
 896 supplying or treating water for any beneficial use, and for otherwise accomplishing the
 897 purposes of a special district.

898 Section 8. Section **17B-1-103** is amended to read:

899 **17B-1-103. Special district status and powers -- Registration as a limited purpose**

- 900 **entity.**
- 901 (1) A special district:
- 902 (a) is:
- 903 (i) a body corporate and politic with perpetual succession;
- 904 (ii) a quasi-municipal corporation; ~~and~~
- 905 (iii) a political subdivision of the state; and
- 906 (iv) separate and distinct from and independent of any other political subdivision of the
- 907 state; and
- 908 (b) may sue and be sued.
- 909 (2) A special district may:
- 910 (a) acquire, by any lawful means, or lease any real property, personal property, or a
- 911 groundwater right necessary or convenient to the full exercise of the district's powers;
- 912 (b) acquire, by any lawful means, any interest in real property, personal property, or a
- 913 groundwater right necessary or convenient to the full exercise of the district's powers;
- 914 (c) transfer an interest in or dispose of any property or interest described in Subsections
- 915 (2)(a) and (b);
- 916 (d) acquire or construct works, facilities, and improvements necessary or convenient to
- 917 the full exercise of the district's powers, and operate, control, maintain, and use those works,
- 918 facilities, and improvements;
- 919 (e) borrow money and incur indebtedness for any lawful district purpose;
- 920 (f) issue bonds, including refunding bonds:
- 921 (i) for any lawful district purpose; and
- 922 (ii) as provided in and subject to Part 11, Special District Bonds;
- 923 (g) levy and collect property taxes:
- 924 (i) for any lawful district purpose or expenditure, including to cover a deficit resulting
- 925 from tax delinquencies in a preceding year; and
- 926 (ii) as provided in and subject to Part 10, Special District Property Tax Levy;
- 927 (h) as provided in Title 78B, Chapter 6, Part 5, Eminent Domain, acquire by eminent
- 928 domain property necessary to the exercise of the district's powers;
- 929 (i) invest money as provided in Title 51, Chapter 7, State Money Management Act;
- 930 (j) (i) impose fees or other charges for commodities, services, or facilities provided by

931 the district, to pay some or all of the district's costs of providing the commodities, services, and
932 facilities, including the costs of:

933 (A) maintaining and operating the district;

934 (B) acquiring, purchasing, constructing, improving, or enlarging district facilities;

935 (C) issuing bonds and paying debt service on district bonds; and

936 (D) providing a reserve established by the board of trustees; and

937 (ii) take action the board of trustees considers appropriate and adopt regulations to

938 assure the collection of all fees and charges that the district imposes;

939 (k) if applicable, charge and collect a fee to pay for the cost of connecting a customer's

940 property to district facilities in order for the district to provide service to the property;

941 (l) enter into a contract that the special district board of trustees considers necessary,

942 convenient, or desirable to carry out the district's purposes, including a contract:

943 (i) with the United States or any department or agency of the United States;

944 (ii) to indemnify and save harmless; or

945 (iii) to do any act to exercise district powers;

946 (m) purchase supplies, equipment, and materials;

947 (n) encumber district property upon terms and conditions that the board of trustees

948 considers appropriate;

949 (o) exercise other powers and perform other functions that are provided by law;

950 (p) construct and maintain works and establish and maintain facilities, including works

951 or facilities:

952 (i) across or along any public street or highway, subject to Subsection (3) and if the

953 district:

954 (A) promptly restores the street or highway, as much as practicable, to its former state
955 of usefulness; and

956 (B) does not use the street or highway in a manner that completely or unnecessarily
957 impairs the usefulness of it;

958 (ii) in, upon, or over any vacant public lands that are or become the property of the

959 state, including school and institutional trust lands, as defined in Section 53C-1-103, if the

960 director of the School and Institutional Trust Lands Administration, acting under Sections

961 53C-1-102 and 53C-1-303, consents; or

962 (iii) across any stream of water or watercourse, subject to Section 73-3-29;

963 (q) perform any act or exercise any power reasonably necessary for the efficient
964 operation of the special district in carrying out its purposes;

965 (r) (i) except for a special district described in Subsection (2)(r)(ii), designate an
966 assessment area and levy an assessment on land within the assessment area, as provided in
967 Title 11, Chapter 42, Assessment Area Act; or

968 (ii) for a special district created to assess a groundwater right in a critical management
969 area described in Subsection 17B-1-202(1), designate an assessment area and levy an
970 assessment, as provided in Title 11, Chapter 42, Assessment Area Act, on a groundwater right
971 to facilitate a groundwater management plan;

972 (s) contract with another political subdivision of the state to allow the other political
973 subdivision to use the district's surplus water or capacity or have an ownership interest in the
974 district's works or facilities, upon the terms and for the consideration, whether monetary or
975 nonmonetary consideration or no consideration, that the district's board of trustees considers to
976 be in the best interests of the district and the public;

977 (t) upon the terms and for the consideration, whether monetary or nonmonetary
978 consideration or no consideration, that the district's board of trustees considers to be in the best
979 interests of the district and the public, agree:

980 (i) (A) with another political subdivision of the state; or
981 (B) with a public or private owner of property on which the district has a right-of-way
982 or adjacent to which the district owns fee title to property; and

983 (ii) to allow the use of property:
984 (A) owned by the district; or
985 (B) on which the district has a right-of-way; and

986 (u) if the special district receives, as determined by the special district board of
987 trustees, adequate monetary or nonmonetary consideration in return:
988 (i) provide services or nonmonetary assistance to a nonprofit entity;
989 (ii) waive fees required to be paid by a nonprofit entity; or
990 (iii) provide monetary assistance to a nonprofit entity, whether from the special
991 district's own funds or from funds the special district receives from the state or any other
992 source.

- 993 (3) With respect to a special district's use of a street or highway, as provided in
994 Subsection (2)(p)(i):
- 995 (a) the district shall comply with the reasonable rules and regulations of the
996 governmental entity, whether state, county, or municipal, with jurisdiction over the street or
997 highway, concerning:
- 998 (i) an excavation and the refilling of an excavation;
999 (ii) the relaying of pavement; and
1000 (iii) the protection of the public during a construction period; and
- 1001 (b) the governmental entity, whether state, county, or municipal, with jurisdiction over
1002 the street or highway:
- 1003 (i) may not require the district to pay a license or permit fee or file a bond; and
1004 (ii) may require the district to pay a reasonable inspection fee.
- 1005 (4) (a) A special district may:
- 1006 (i) acquire, lease, or construct and operate electrical generation, transmission, and
1007 distribution facilities, if:
- 1008 (A) the purpose of the facilities is to harness energy that results inherently from the
1009 district's operation of a project or facilities that the district is authorized to operate or from the
1010 district providing a service that the district is authorized to provide;
- 1011 (B) the generation of electricity from the facilities is incidental to the primary
1012 operations of the district; and
- 1013 (C) operation of the facilities will not hinder or interfere with the primary operations of
1014 the district;
- 1015 (ii) (A) use electricity generated by the facilities; or
1016 (B) subject to Subsection (4)(b), sell electricity generated by the facilities to an electric
1017 utility or municipality with an existing system for distributing electricity.
- 1018 (b) A district may not act as a retail distributor or seller of electricity.
- 1019 (c) Revenue that a district receives from the sale of electricity from electrical
1020 generation facilities it owns or operates under this section may be used for any lawful district
1021 purpose, including the payment of bonds issued to pay some or all of the cost of acquiring or
1022 constructing the facilities.
- 1023 (5) A special district may adopt and, after adoption, alter a corporate seal.

1024 (6) (a) Each special district shall register and maintain the special district's registration
1025 as a limited purpose entity, in accordance with Section 67-1a-15.

1026 (b) A special district that fails to comply with Subsection (6)(a) or Section 67-1a-15 is
1027 subject to enforcement by the state auditor, in accordance with Section 67-3-1.

1028 (7) (a) As used in this Subsection (7), "knife" means a cutting instrument that includes
1029 a sharpened or pointed blade.

1030 (b) The authority to regulate a knife is reserved to the state except where the
1031 Legislature specifically delegates responsibility to a special district.

1032 (c) Unless specifically authorized by the Legislature by statute, a special district may
1033 not adopt or enforce a regulation or rule pertaining to a knife.

1034 Section 9. Section **17B-1-105** is amended to read:

1035 **17B-1-105. Name of special district -- Name change.**

1036 (1) (a) The name of each special district created on or after May 1, 2000 shall comply
1037 with Subsection 17-50-103(2)(a).

1038 (b) The board of each special district affected by Subsection 17-50-103(2)(b) shall
1039 ensure that after January 1, 2005 the special district name complies with the requirements of
1040 Subsection 17-50-103(2)(b).

1041 (2) The name of a special district created after April 30, 2007 may not include the
1042 name of a county or municipality.

1043 (3) The name of a special district may include words descriptive of the type of service
1044 that the district provides.

1045 (4) The name of an infrastructure financing district shall comply with Subsection
1046 17B-1-208(1)(b)(ii).

1047 [~~(4)~~] (5) (a) A special district board may change the name of that special district as
1048 provided in this Subsection [~~(4)~~] (5).

1049 (b) To initiate a name change, the special district board shall:

1050 (i) hold a public hearing on the proposed name change;

1051 (ii) adopt a resolution approving the name change; and

1052 (iii) file with the lieutenant governor a notice of an impending name change, as defined
1053 in Section 67-1a-6.7, that meets the requirements of Subsection 67-1a-6.7(3).

1054 (c) Upon the lieutenant governor's issuance of a certificate of name change under

1055 Section 67-1a-6.7, the special district board shall:

1056 (i) if the special district is located within the boundary of a single county, submit to the
1057 recorder of that county:

1058 (A) the original:

1059 (I) notice of an impending name change; and

1060 (II) certificate of name change; and

1061 (B) a certified copy of the resolution approving the name change; or

1062 (ii) if the special district is located within the boundaries of more than a single county:

1063 (A) submit to the recorder of one of those counties:

1064 (I) the original of the documents listed in Subsections [~~(4)(c)(i)(A)(I)~~] (5)(c)(i)(A)(I)

1065 and (II); and

1066 (II) a certified copy of the resolution approving the name change; and

1067 (B) submit to the recorder of each other county:

1068 (I) a certified copy of the documents listed in Subsections [~~(4)(c)(i)(A)(I)~~]

1069 (5)(c)(i)(A)(I) and (II); and

1070 (II) a certified copy of the resolution approving the name change.

1071 (d) (i) A name change under this Subsection [~~(4)~~] (5) becomes effective upon the

1072 lieutenant governor's issuance of a certificate of name change under Section 67-1a-6.7.

1073 (ii) Notwithstanding Subsection [~~(4)(d)(i)~~] (5)(d)(i), the special district may not operate

1074 under the new name until the documents listed in Subsection [~~(4)(c)~~] (5)(c) are recorded in the

1075 office of the recorder of each county in which the special district is located.

1076 Section 10. Section **17B-1-201** is amended to read:

1077 **17B-1-201. Definitions.**

1078 As used in this part:

1079 (1) "Applicable area" means:

1080 (a) for a county, the unincorporated area of the county that is included within the

1081 proposed special district; or

1082 (b) for a municipality, the area of the municipality that is included within the proposed

1083 special district.

1084 (2) "Governing body" means:

1085 (a) for a county or municipality, the legislative body of the county or municipality; and

- 1086 (b) for a special district, the board of trustees of the special district.
- 1087 (3) "Groundwater right owner petition" means a petition under Subsection
1088 17B-1-203(1)(c).
- 1089 (4) "Groundwater right owner request" means a request under Section 17B-1-204 that
1090 is signed by owners of water rights as provided in Subsection 17B-1-204(2)(b)(ii).
- 1091 (5) "Initiating special district" means a special district that adopts a resolution
1092 proposing the creation of a special district under Subsection [~~17B-1-203(1)(e)~~]
1093 17B-1-203(1)(f).
- 1094 (6) "Petition" means a petition under Subsection 17B-1-203(1)(a), (b), [~~or~~] (c), or (d).
- 1095 (7) "Property owner petition" means a petition under Subsection 17B-1-203(1)(a).
- 1096 (8) "Property owner request" means a request under Section 17B-1-204 that is signed
1097 by owners of real property as provided in Subsection 17B-1-204(2)(b)(i).
- 1098 (9) "Registered voter request" means a request under Section 17B-1-204 that is signed
1099 by registered voters as provided in Subsection 17B-1-204(2)(b)(iii).
- 1100 (10) "Registered voter petition" means a petition under Subsection 17B-1-203(1)(b).
- 1101 (11) "Request" means a request as described in Section 17B-1-204.
- 1102 (12) "Responsible body" means the governing body of:
- 1103 (a) the municipality in which the proposed special district is located, if the petition or
1104 resolution proposes the creation of a special district located entirely within a single
1105 municipality;
- 1106 (b) the county in which the proposed special district is located, if the petition or
1107 resolution proposes the creation of a special district located entirely within a single county and
1108 all or part of the proposed special district is located within:
- 1109 (i) the unincorporated part of the county; or
- 1110 (ii) more than one municipality within the county;
- 1111 (c) if the petition or resolution proposes the creation of a special district located within
1112 more than one county, the county whose boundaries include more of the area of the proposed
1113 special district than is included within the boundaries of any other county; or
- 1114 (d) the initiating special district, if a resolution proposing the creation of a special
1115 district is adopted under Subsection [~~17B-1-203(1)(e)~~] 17B-1-203(1)(f).
- 1116 (13) "Responsible clerk" means the clerk of the county or the clerk or recorder of the

1117 municipality whose legislative body is the responsible body.

1118 Section 11. Section **17B-1-202** is amended to read:

1119 **17B-1-202. Special district may be created -- Services that may be provided --**
1120 **Limitations.**

1121 (1) (a) A special district may be created as provided in this part to provide within its
1122 boundaries service consisting of:

1123 (i) the operation of an airport;

1124 (ii) the operation of a cemetery;

1125 (iii) fire protection, paramedic, and emergency services, including consolidated 911
1126 and emergency dispatch services;

1127 (iv) garbage collection and disposal;

1128 (v) health care, including health department or hospital service;

1129 (vi) the operation of a library;

1130 (vii) abatement or control of mosquitos and other insects;

1131 (viii) the operation of parks or recreation facilities or services;

1132 (ix) the operation of a sewage system;

1133 (x) the construction and maintenance of a right-of-way, including:

1134 (A) a curb;

1135 (B) a gutter;

1136 (C) a sidewalk;

1137 (D) a street;

1138 (E) a road;

1139 (F) a water line;

1140 (G) a sewage line;

1141 (H) a storm drain;

1142 (I) an electricity line;

1143 (J) a communications line;

1144 (K) a natural gas line; or

1145 (L) street lighting;

1146 (xi) transportation, including public transit and providing streets and roads;

1147 (xii) the operation of a system, or one or more components of a system, for the

1148 collection, storage, retention, control, conservation, treatment, supplying, distribution, or
1149 reclamation of water, including storm, flood, sewage, irrigation, and culinary water, whether
1150 the system is operated on a wholesale or retail level or both;

1151 (xiii) in accordance with Subsection (1)(c), the acquisition or assessment of a
1152 groundwater right for the development and execution of a groundwater management plan in
1153 cooperation with and approved by the state engineer in accordance with Section 73-5-15;

1154 (xiv) law enforcement service;

1155 (xv) subject to Subsection (1)(b), the underground installation of an electric utility line
1156 or the conversion to underground of an existing electric utility line;

1157 (xvi) the control or abatement of earth movement or a landslide;

1158 (xvii) the operation of animal control services and facilities; ~~or~~

1159 (xviii) an energy efficiency upgrade, a renewable energy system, or electric vehicle
1160 charging infrastructure as defined in Section 11-42a-102, in accordance with Title 11, Chapter
1161 42a, Commercial Property Assessed Clean Energy Act; or

1162 (xix) the financing of infrastructure, as provided in Chapter 2a, Part 13, Infrastructure
1163 Financing Districts.

1164 (b) Each special district that provides the service of the underground installation of an
1165 electric utility line or the conversion to underground of an existing electric utility line shall, in
1166 installing or converting the line, provide advance notice to and coordinate with the utility that
1167 owns the line.

1168 (c) A groundwater management plan described in Subsection (1)(a)(xiii) may include
1169 the banking of groundwater rights by a special district in a critical management area as defined
1170 in Section 73-5-15 following the adoption of a groundwater management plan by the state
1171 engineer under Section 73-5-15.

1172 (i) A special district may manage the groundwater rights it acquires under Subsection
1173 17B-1-103(2)(a) or (b) consistent with the provisions of a groundwater management plan
1174 described in this Subsection (1)(c).

1175 (ii) A groundwater right held by a special district to satisfy the provisions of a
1176 groundwater management plan is not subject to the forfeiture provisions of Section 73-1-4.

1177 (iii) (A) A special district may divest itself of a groundwater right subject to a
1178 determination that the groundwater right is not required to facilitate the groundwater

1179 management plan described in this Subsection (1)(c).

1180 (B) The groundwater right described in Subsection (1)(c)(iii)(A) is subject to Section
1181 73-1-4 beginning on the date of divestiture.

1182 (iv) Upon a determination by the state engineer that an area is no longer a critical
1183 management area as defined in Section 73-5-15, a groundwater right held by the special district
1184 is subject to Section 73-1-4.

1185 (v) A special district created in accordance with Subsection (1)(a)(xiii) to develop and
1186 execute a groundwater management plan may hold or acquire a right to surface waters that are
1187 naturally tributary to the groundwater basin subject to the groundwater management plan if the
1188 surface waters are appropriated in accordance with Title 73, Water and Irrigation, and used in
1189 accordance with Title 73, Chapter 3b, Groundwater Recharge and Recovery Act.

1190 (2) As used in this section:

1191 (a) "Operation" means all activities involved in providing the indicated service
1192 including acquisition and ownership of property reasonably necessary to provide the indicated
1193 service and acquisition, construction, and maintenance of facilities and equipment reasonably
1194 necessary to provide the indicated service.

1195 (b) "System" means the aggregate of interrelated components that combine together to
1196 provide the indicated service including, for a sewage system, collection and treatment.

1197 (3) (a) A special district may not be created to provide and may not after its creation
1198 provide more than four of the services listed in Subsection (1).

1199 (b) Subsection (3)(a) may not be construed to prohibit a special district from providing
1200 more than four services if, before April 30, 2007, the special district was authorized to provide
1201 those services.

1202 (4) (a) Except as provided in Subsection (4)(b), a special district may not be created to
1203 provide and may not after its creation provide to an area the same service that may already be
1204 provided to that area by another political subdivision, unless the other political subdivision
1205 gives its written consent.

1206 (b) For purposes of Subsection (4)(a), a special district does not provide the same
1207 service as another political subdivision if it operates a component of a system that is different
1208 from a component operated by another political subdivision but within the same:

1209 (i) sewage system; or

- 1210 (ii) water system.
- 1211 (5) (a) Except for a special district in the creation of which an election is not required
1212 under Subsection 17B-1-214(3)(d), the area of a special district may include all or part of the
1213 unincorporated area of one or more counties and all or part of one or more municipalities.
- 1214 (b) The area of a special district need not be contiguous.
- 1215 (6) For a special district created before May 5, 2008, the authority to provide fire
1216 protection service also includes the authority to provide:
- 1217 (a) paramedic service; and
1218 (b) emergency service, including hazardous materials response service.
- 1219 (7) A special district created before May 11, 2010, authorized to provide the
1220 construction and maintenance of curb, gutter, or sidewalk may provide a service described in
1221 Subsection (1)(a)(x) on or after May 11, 2010.
- 1222 (8) A special district created before May 10, 2011, authorized to provide culinary,
1223 irrigation, sewage, or storm water services may provide a service described in Subsection
1224 (1)(a)(xii) on or after May 10, 2011.
- 1225 (9) A special district may not be created under this chapter for two years after the date
1226 on which a special district is dissolved as provided in Section 17B-1-217 if the special district
1227 proposed for creation:
- 1228 (a) provides the same or a substantially similar service as the dissolved special district;
1229 and
1230 (b) is located in substantially the same area as the dissolved special district.
- 1231 (10) The inclusion of an area within an infrastructure financing district does not affect
1232 whether the area may be included within another special district.
- 1233 Section 12. Section **17B-1-203** is amended to read:
- 1234 **17B-1-203. Process to initiate the creation of a special district -- Petition or**
1235 **resolution.**
- 1236 (1) The process to create a special district may be initiated by:
- 1237 (a) unless the proposed special district is a special district to acquire or assess a
1238 groundwater right under Section 17B-1-202, and subject to Section 17B-1-204, a petition
1239 signed by the owners of private real property that:
- 1240 (i) is located within the proposed special district;

1241 (ii) covers at least 33% of the total private land area within the proposed special district
1242 as a whole and within each applicable area;

1243 (iii) is equal in value to at least 25% of the value of all private real property within the
1244 proposed special district as a whole and within each applicable area; and

1245 (iv) complies with the requirements of Subsection 17B-1-205(1) and Section
1246 17B-1-208;

1247 (b) subject to Section 17B-1-204, a petition that:

1248 (i) is signed by registered voters residing within the proposed special district as a whole
1249 and within each applicable area, equal in number to at least 33% of the number of votes cast in
1250 the proposed special district as a whole and in each applicable area, respectively, for the office
1251 of governor at the last regular general election prior to the filing of the petition; and

1252 (ii) complies with the requirements of Subsection 17B-1-205(1) and Section
1253 17B-1-208;

1254 (c) if the proposed special district is a special district to acquire or assess a
1255 groundwater right under Section 17B-1-202, and subject to Section 17B-1-204, a petition
1256 signed by the owners of groundwater rights that:

1257 (i) are diverted within the proposed special district;

1258 (ii) cover at least 33% of the total amount of groundwater diverted in accordance with
1259 groundwater rights within the proposed special district as a whole and within each applicable
1260 area; and

1261 (iii) comply with the requirements of Subsection 17B-1-205(1) and Section 17B-1-208;

1262 (d) for the creation of an infrastructure financing district, a petition signed by 100% of
1263 the owners of surface property within the applicable area;

1264 ~~[(d)]~~ (e) a resolution proposing the creation of a special district, adopted by the
1265 legislative body of each county whose unincorporated area, whether in whole or in part,
1266 includes and each municipality whose boundaries include any of the proposed special district;
1267 or

1268 ~~[(e)]~~ (f) a resolution proposing the creation of a special district, adopted by the board of
1269 trustees of an existing special district whose boundaries completely encompass the proposed
1270 special district, if:

1271 (i) the proposed special district is being created to provide one or more components of

1272 the same service that the initiating special district is authorized to provide; and
1273 (ii) the initiating special district is not providing to the area of the proposed special
1274 district any of the components that the proposed special district is being created to provide.
1275 (2) (a) Each resolution under Subsection [~~(1)(d) or (e)~~] (1)(e) or (f) shall:
1276 (i) describe the area proposed to be included in the proposed special district;
1277 (ii) be accompanied by a map that shows the boundaries of the proposed special
1278 district;
1279 (iii) describe the service proposed to be provided by the proposed special district;
1280 (iv) if the resolution proposes the creation of a specialized special district, specify the
1281 type of specialized special district proposed to be created;
1282 (v) explain the anticipated method of paying the costs of providing the proposed
1283 service;
1284 (vi) state the estimated average financial impact on a household within the proposed
1285 special district;
1286 (vii) state the number of members that the board of trustees of the proposed special
1287 district will have, consistent with the requirements of Subsection [~~17B-1-302(4)~~]
1288 17B-1-302(8);
1289 (viii) for a proposed basic special district:
1290 (A) state whether the members of the board of trustees will be elected or appointed or
1291 whether some members will be elected and some appointed, as provided in Section
1292 17B-1-1402;
1293 (B) if one or more members will be elected, state the basis upon which each elected
1294 member will be elected; and
1295 (C) if applicable, explain how the election or appointment of board members will
1296 transition from one method to another based on stated milestones or events, as provided in
1297 Section 17B-1-1402;
1298 (ix) for a proposed improvement district whose remaining area members or county
1299 members, as those terms are defined in Section 17B-2a-404, are to be elected, state that those
1300 members will be elected; and
1301 (x) for a proposed service area that is entirely within the unincorporated area of a single
1302 county, state whether the initial board of trustees will be:

- 1303 (A) the county legislative body;
- 1304 (B) appointed as provided in Section 17B-1-304; or
- 1305 (C) elected as provided in Section 17B-1-306.

1306 (b) Each county or municipal legislative body adopting a resolution under Subsection

1307 ~~[(1)(d)]~~ (1)(e) shall, on or before the first public hearing under Section 17B-1-210, mail or

1308 deliver a copy of the resolution to the responsible body if the county or municipal legislative

1309 body's resolution is one of multiple resolutions adopted by multiple county or municipal

1310 legislative bodies proposing the creation of the same special district.

1311 Section 13. Section **17B-1-204** is amended to read:

1312 **17B-1-204. Request for service required before filing of petition -- Request**

1313 **requirements.**

1314 (1) ~~[A]~~ Except for a petition for the creation of an infrastructure financing district, a

1315 petition may not be filed until after:

1316 (a) a request has been filed with:

1317 (i) the clerk of each county in whose unincorporated area any part of the proposed

1318 special district is located; and

1319 (ii) the clerk or recorder of each municipality in which any part of the proposed special

1320 district is located; and

1321 (b) each county and municipality with which a request under Subsection (1)(a) is filed:

1322 (i) has adopted a resolution under Subsection 17B-1-212(1) indicating whether it will

1323 provide the requested service; or

1324 (ii) is considered to have declined to provide the requested service under Subsection

1325 17B-1-212(2) or (3).

1326 (2) Each request under Subsection (1)(a) shall:

1327 (a) ask the county or municipality to provide the service proposed to be provided by the

1328 proposed special district within the applicable area; and

1329 (b) be signed by:

1330 (i) unless the request is a request to create a special district to acquire or assess a

1331 groundwater right under Section 17B-1-202, the owners of private real property that:

1332 (A) is located within the proposed special district;

1333 (B) covers at least 10% of the total private land area within the applicable area; and

1334 (C) is equal in value to at least 7% of the value of all private real property within the
1335 applicable area;

1336 (ii) if the request is a request to create a special district to acquire or assess a
1337 groundwater right under Section 17B-1-202, the owners of groundwater rights that:

1338 (A) are diverted within the proposed special district; and

1339 (B) cover at least 10% of the amount of groundwater diverted in accordance with
1340 groundwater rights within the applicable area; or

1341 (iii) registered voters residing within the applicable area equal in number to at least
1342 10% of the number of votes cast in the applicable area for the office of governor at the last
1343 general election prior to the filing of the request.

1344 (3) For purposes of Subsections (1) and (2), an area proposed to be annexed to a
1345 municipality in a petition under Section 10-2-403 filed before and still pending at the time of
1346 filing of a petition shall be considered to be part of that municipality.

1347 Section 14. Section **17B-1-205** is amended to read:

1348 **17B-1-205. Petition and request requirements -- Withdrawal of signature.**

1349 (1) Each petition and request shall:

1350 (a) indicate the typed or printed name and current residence address of each property
1351 owner, groundwater right owner, or registered voter signing the petition;

1352 (b) (i) if it is a property owner request or petition, indicate the address of the property
1353 as to which the owner is signing the request or petition; or

1354 (ii) if it is a groundwater right owner request or petition, indicate the location of the
1355 diversion of the groundwater as to which the owner is signing the groundwater right owner
1356 request or petition;

1357 (c) describe the entire area of the proposed special district;

1358 (d) be accompanied by a map showing the boundaries of the entire proposed special
1359 district;

1360 (e) specify the service proposed to be provided by the proposed special district;

1361 (f) if the petition or request proposes the creation of a specialized special district,
1362 specify the type of specialized special district proposed to be created;

1363 (g) for a proposed basic special district:

1364 (i) state whether the members of the board of trustees will be elected or appointed or

1365 whether some members will be elected and some appointed, as provided in Section
1366 17B-1-1402;

1367 (ii) if one or more members will be elected, state the basis upon which each elected
1368 member will be elected; and

1369 (iii) if applicable, explain how the election or appointment of board members will
1370 transition from one method to another based on stated milestones or events, as provided in
1371 Section 17B-1-1402;

1372 (h) for a proposed improvement district whose remaining area members or county
1373 members, as those terms are defined in Section 17B-2a-404, are to be elected, state that those
1374 members will be elected; ~~and~~

1375 (i) for a proposed service area that is entirely within the unincorporated area of a single
1376 county, state whether the initial board of trustees will be:

1377 (i) the county legislative body;

1378 (ii) appointed as provided in Section 17B-1-304; or

1379 (iii) elected as provided in Section 17B-1-306;

1380 (j) designate up to five signers of the petition or request as sponsors, one of whom shall
1381 be designated as the contact sponsor, with the mailing address and telephone number of each;

1382 (k) if the petition or request is a groundwater right owner petition or request proposing
1383 the creation of a special district to acquire a groundwater right under Section 17B-1-202,
1384 explain the anticipated method:

1385 (i) of paying for the groundwater right acquisition; and

1386 (ii) of addressing blowing dust created by the reduced use of water; ~~and~~

1387 (l) if the petition or request is a groundwater right owner petition or request proposing
1388 the creation of a special district to assess a groundwater right under Section 17B-1-202, explain
1389 the anticipated method:

1390 (i) of assessing the groundwater right and securing payment of the assessment; and

1391 (ii) of addressing blowing dust created by the reduced use of water[-]; and

1392 (m) for a proposed infrastructure financing district:

1393 (i) state whether the members of the board of trustees will be elected or appointed or
1394 whether some members will be elected and some appointed;

1395 (ii) if one or more members will be elected, state the basis upon which each elected

1396 member will be elected;

1397 (iii) if applicable, explain how the election or appointment of board members will
1398 transition from one method to another based on stated milestones or events, as provided in
1399 Section 17B-2a-1303;

1400 (iv) state whether divisions will be established within the boundary of the
1401 infrastructure financing district so that some or all board members represent a division rather
1402 than the district at large and, if so, describe the boundary of each division; and

1403 (v) if applicable, be accompanied by the governing document prepared according to
1404 Section 17B-2-1303.

1405 (2) (a) [A] Subject to Subsection (2)(b), a signer of a request or petition may withdraw
1406 or, once withdrawn, reinstate the signer's signature at any time before the filing of the request
1407 or petition by filing a written withdrawal or reinstatement with:

1408 [~~(a)~~] (i) in the case of a request:

1409 [~~(i)~~] (A) the clerk of the county or the clerk or recorder of the municipality in whose
1410 applicable area the signer's property is located, if the request is a property owner request;

1411 [~~(ii)~~] (B) the clerk of the county or the clerk or recorder of the municipality in whose
1412 applicable area the signer's groundwater diversion point is located, if the request is a
1413 groundwater right owner request; or

1414 [~~(iii)~~] (C) the clerk of the county or the clerk or recorder of the municipality in whose
1415 applicable area the signer resides, if the request is a registered voter request; or

1416 [~~(b)~~] (ii) in the case of a petition, the responsible clerk.

1417 (b) The time for a signer of a petition for the creation of an infrastructure financing
1418 district to withdraw or reinstate the signer's signature is any time before the petition is certified
1419 under Section 17B-1-209.

1420 (3) (a) A clerk of the county who receives a timely, valid written withdrawal or
1421 reinstatement from a signer of a registered voter request or registered voter petition shall use
1422 the procedures described in Subsection 20A-1-1003(3) to determine whether to remove or
1423 reinstate the individual's signature.

1424 (b) If a municipal clerk or recorder receives a timely, valid written withdrawal or
1425 reinstatement from a signer of a registered voter request or registered voter petition, the clerk of
1426 the municipality's county shall assist the municipal clerk or recorder with determining whether

1427 to remove or reinstate the individual's signature using the procedures described in Subsection
1428 20A-1-1003(3).

1429 Section 15. Section **17B-1-208** is amended to read:

1430 **17B-1-208. Additional petition requirements and limitations.**

1431 (1) (a) Each petition shall:

1432 ~~[(a)]~~ (i) be filed with the responsible clerk;

1433 ~~[(b)]~~ (ii) separately group signatures by county and municipality, so that all signatures
1434 of the owners of real property located within or of registered voters residing within each county
1435 whose unincorporated area includes and each municipality whose boundaries include part of
1436 the proposed special district are grouped separately; and

1437 ~~[(c)]~~ (iii) (A) state the number of members that the board of trustees of the proposed
1438 special district will have, consistent with the requirements of Subsection ~~[17B-1-302(4)]~~
1439 17B-1-302(8)[-]; and

1440 (B) for a petition proposing the creation of an infrastructure financing district, include
1441 the name and address of each of the proposed board members.

1442 (b) (i) A petition for the creation of an infrastructure financing district shall state the
1443 name of the proposed infrastructure financing district.

1444 (ii) The name of an infrastructure financing district shall include the phrase
1445 "infrastructure financing district."

1446 (2) (a) A petition may not propose the creation of a special district that includes an area
1447 located within the unincorporated part of a county or within a municipality if the legislative
1448 body of that county or municipality has adopted a resolution under Subsection 17B-1-212(1)
1449 indicating that the county or municipality will provide to that area the service proposed to be
1450 provided by the proposed special district.

1451 (b) Subsection (2)(a) does not apply if the county or municipal legislative body is
1452 considered to have declined to provide the requested service under Subsection 17B-1-212(3).

1453 (c) Subsection (2)(a) may not be construed to prevent the filing of a petition that
1454 proposes the creation of a special district whose area excludes that part of the unincorporated
1455 area of a county or that part of a municipality to which the county or municipality has
1456 indicated, in a resolution adopted under Section 17B-1-212, it will provide the requested
1457 service.

1458 (3) A petition may not propose the creation of a special district whose area includes:

1459 (a) some or all of an area described in a previously filed petition that, subject to

1460 Subsection 17B-1-202(4)(b):

1461 (i) proposes the creation of a special district to provide the same service as proposed by
1462 the later filed petition; and

1463 (ii) is still pending at the time the later petition is filed; or

1464 (b) some or all of an area within a political subdivision that provides in that area the
1465 same service proposed to be provided by the proposed special district.

1466 (4) A petition may not be filed more than 12 months after a county or municipal
1467 legislative body declines to provide the requested service under Subsection 17B-1-212(1) or is
1468 considered to have declined to provide the requested service under Subsection 17B-1-212(2) or
1469 (3).

1470 Section 16. Section **17B-1-209** is amended to read:

1471 **17B-1-209. Petition certification -- Amended petition.**

1472 (1) No later than five days after the day on which a petition is filed, the responsible
1473 clerk shall mail a copy of the petition to the clerk of each other county and the clerk or recorder
1474 of each municipality in which any part of the proposed special district is located.

1475 (2) (a) No later than 35 days after the day on which a petition is filed, the clerk of each
1476 county whose unincorporated area includes and the clerk or recorder of each municipality
1477 whose boundaries include part of the proposed special district shall:

1478 (i) with the assistance of other county or municipal officers from whom the county
1479 clerk or municipal clerk or recorder requests assistance, determine, for the clerk or recorder's
1480 respective county or municipality, whether the petition complies with the requirements of
1481 Subsection 17B-1-203(1)(a), (b), ~~(c)~~ (c), or (d), as the case may be, and Subsections
1482 17B-1-208(2), (3), and (4); and

1483 (ii) notify the responsible clerk in writing of the clerk or recorder's determination under
1484 Subsection (2)(a)(i).

1485 (b) The responsible clerk may rely on the determinations of other county clerks or
1486 municipal clerks or recorders under Subsection (2)(a) in making the responsible clerk's
1487 determinations and certification or rejection under Subsection (3).

1488 (3) (a) Within 45 days after the filing of a petition, the responsible clerk shall[:]

1489 ~~(f)~~ determine whether the petition complies with Subsection 17B-1-203(1)(a), (b),
1490 ~~or~~ (c), or (d), as the case may be, Subsection 17B-1-205(1), and Section 17B-1-208~~[-and]~~.
1491 ~~(f)~~ (b) ~~(A) if~~ If the responsible clerk determines that the petition complies with the
1492 applicable requirements, the responsible clerk shall:

1493 ~~(f)~~ (i) ~~(Aa)~~ (A) certify the petition as complying with all applicable requirements;
1494 ~~and~~

1495 (B) deliver the certified petition to the responsible body; and
1496 ~~(Bb)~~ (C) mail or deliver written notification of the certification and a copy of the
1497 certified petition to the contact sponsor; or

1498 ~~(H)~~ (ii) for each petition described in Subsection ~~(3)(b)(f)~~ (3)(d)(i), deliver a copy of
1499 the petition to the legislative body of each county whose unincorporated area includes and each
1500 municipality whose boundaries include any of the proposed basic special district, with a notice
1501 indicating that the clerk has determined that the petition complies with applicable
1502 requirements~~[-or]~~.

1503 ~~(B)~~ (c) ~~if~~ If the responsible clerk determines that the petition fails to comply with
1504 any of the applicable requirements, the responsible clerk shall reject the petition and notify the
1505 contact sponsor in writing of the rejection and the reasons for the rejection.

1506 ~~(b)~~ (d) (i) A petition for which an election is not required under Subsection
1507 17B-1-214(3) and that proposes the creation of a basic special district that has within its
1508 boundaries fewer than one residential dwelling unit per 10 acres of land may not be certified
1509 without the approval, by resolution, of the legislative body of each county whose
1510 unincorporated area includes and each municipality whose boundaries include any of the
1511 proposed special district.

1512 (ii) Before adopting a resolution giving its approval under Subsection ~~(3)(b)(f)~~
1513 (3)(d)(i), a county or municipal legislative body may hold one or more public hearings on the
1514 petition.

1515 (iii) If a petition described in Subsection ~~(3)(b)(f)~~ (3)(d)(i) is approved as provided in
1516 that subsection, the responsible clerk shall, within 10 days after its approval:

1517 (A) certify the petition and deliver the certified petition to the responsible body; and
1518 (B) mail or deliver written notification of the certification to the contact sponsor.

1519 (4) Except for a petition described in Subsection ~~(3)(b)(f)~~ (3)(d)(i), if the responsible

1520 clerk fails to certify or reject a petition within 45 days after its filing, the petition shall be
1521 considered to be certified.

1522 (5) The responsible clerk shall certify or reject petitions in the order in which they are
1523 filed.

1524 (6) (a) If the responsible clerk rejects a petition under Subsection [~~(3)(a)(ii)(B)~~] (3)(c),
1525 the petition may be amended to correct the deficiencies for which it was rejected and then
1526 refiled.

1527 (b) A valid signature on a petition that was rejected under Subsection [~~(3)(a)(ii)(B)~~]
1528 (3)(c) may be used toward fulfilling the applicable signature requirement of the petition as
1529 amended under Subsection (6)(a).

1530 (c) If a petition is amended and refiled under Subsection (6)(a) after having been
1531 rejected by the responsible clerk under Subsection [~~(3)(a)(ii)(B)~~] (3)(c), the amended petition
1532 shall be considered as newly filed, and its processing priority shall be determined by the date
1533 on which it is refiled.

1534 (7) The responsible clerk and each county clerk and municipal clerk or recorder shall:

1535 (a) act in good faith in making the determinations under this section; and

1536 (b) with the assistance of the county clerk if necessary, and as applicable, use the
1537 procedures described in Section 20A-1-1002 to determine whether a signer is a registered
1538 voter.

1539 Section 17. Section **17B-1-210** is amended to read:

1540 **17B-1-210. Public hearing.**

1541 (1) The legislative body of each county and municipality with which a request is filed
1542 or that adopts a resolution under Subsection [~~17B-1-203(1)(d)~~] 17B-1-203(1)(e) and the board
1543 of trustees of each special district that adopts a resolution under Subsection [~~17B-1-203(1)(e)~~]
1544 17B-1-203(1)(f) shall hold a public hearing or a set of public hearings, sufficient in number and
1545 location to ensure that no substantial group of residents of the proposed special district need
1546 travel an unreasonable distance to attend a public hearing.

1547 (2) Each public hearing under Subsection (1) shall be held:

1548 (a) no later than 45 days after:

1549 (i) for a public hearing on a request, certification of a request under Subsection

1550 17B-1-206(1)(b)(i); or

- 1551 (ii) for a public hearing on a resolution, adoption of a resolution under Subsection
1552 [~~17B-1-203(1)(d) or (e)~~] 17B-1-203(1)(e) or (f);
- 1553 (b) within the proposed special district;
- 1554 (c) except as provided in Subsections (6) and (7), within the applicable area; and
- 1555 (d) for the purpose of:
- 1556 (i) for a public hearing on a request, allowing public input on:
- 1557 (A) whether the requested service is needed in the area of the proposed special district;
- 1558 (B) whether the service should be provided by the county or municipality or the
1559 proposed special district; and
- 1560 (C) all other matters relating to the request or the proposed special district; or
- 1561 (ii) for a public hearing on a resolution, allowing the public to ask questions of and
1562 obtain further information from the governing body holding the hearing regarding the issues
1563 contained in or raised by the resolution.
- 1564 (3) A quorum of each governing body holding a public hearing under this section shall
1565 be present throughout each hearing held by that governing body.
- 1566 (4) Each hearing under this section shall be held on a weekday evening other than a
1567 holiday beginning no earlier than 6 p.m.
- 1568 (5) At the beginning and end of each hearing concerning a resolution, the governing
1569 body shall announce the deadline for filing protests and generally explain the protest procedure
1570 and requirements.
- 1571 (6) Two or more county or municipal legislative bodies may jointly hold a hearing or
1572 set of hearings required under this section if all the requirements of this section, other than the
1573 requirements of Subsection (2)(c), are met as to each hearing.
- 1574 (7) Notwithstanding Subsection (2)(c), a governing body may hold a public hearing or
1575 set of public hearings outside the applicable area if:
- 1576 (a) there is no reasonable place to hold a public hearing within the applicable area; and
- 1577 (b) the public hearing or set of public hearings is held as close to the applicable area as
1578 reasonably possible.
- 1579 Section 18. Section **17B-1-211** is amended to read:
- 1580 **17B-1-211. Notice of public hearings -- Publication of resolution.**
- 1581 (1) Before holding a public hearing or set of public hearings under Section 17B-1-210,

1582 the legislative body of each county or municipality with which a request is filed or that adopts a
 1583 resolution under Subsection [~~17B-1-203(1)(d)~~] 17B-1-203(1)(e) and the board of trustees of
 1584 each special district that adopts a resolution under Subsection [~~17B-1-203(1)(e)~~]
 1585 17B-1-203(1)(f) shall publish notice for the proposed special district, as a class B notice under
 1586 Section 63G-30-102, for at least two weeks before the day of the hearing or the day of the first
 1587 of the set of hearings.

1588 (2) Each notice required under Subsection (1) shall:

1589 (a) if the hearing or set of hearings is concerning a resolution:

1590 (i) contain the entire text or an accurate summary of the resolution; and

1591 (ii) state the deadline for filing a protest against the creation of the proposed special
 1592 district;

1593 (b) clearly identify each governing body involved in the hearing or set of hearings;

1594 (c) state the date, time, and place for the hearing or set of hearings and the purposes for
 1595 the hearing or set of hearings; and

1596 (d) describe or include a map of the entire proposed special district.

1597 (3) County or municipal legislative bodies may jointly provide the notice required
 1598 under this section if all the requirements of this section are met as to each notice.

1599 Section 19. Section **17B-1-213** is amended to read:

1600 **17B-1-213. Protest after adoption of resolution -- Adoption of resolution**
 1601 **approving creation for certain districts.**

1602 (1) For purposes of this section, "adequate protests" means protests that are:

1603 (a) filed with the county clerk, municipal clerk or recorder, or special district secretary
 1604 or clerk, as the case may be, within 60 days after the last public hearing required under Section
 1605 17B-1-210; and

1606 (b) signed by:

1607 (i) the owners of private real property that:

1608 (A) is located within the proposed special district;

1609 (B) covers at least 25% of the total private land area within the applicable area; and

1610 (C) is equal in value to at least 15% of the value of all private real property within the
 1611 applicable area; or

1612 (ii) registered voters residing within the applicable area equal in number to at least 25%

1613 of the number of votes cast in the applicable area for the office of president of the United States
1614 at the most recent election prior to the adoption of the resolution.

1615 (2) An owner may withdraw a protest at any time before the expiration of the 60-day
1616 period described in Subsection (1)(a).

1617 (3) If adequate protests are filed, the governing body that adopted a resolution under
1618 Subsection [~~17B-1-203(1)(d) or (e)~~] 17B-1-203(1)(e) or (f):

1619 (a) may not:

1620 (i) hold or participate in an election under Subsection 17B-1-214(1) with respect to the
1621 applicable area;

1622 (ii) take any further action under the protested resolution to create a special district or
1623 include the applicable area in a special district; or

1624 (iii) for a period of two years, adopt a resolution under Subsection [~~17B-1-203(1)(d) or~~
1625 ~~(e)~~] 17B-1-203(1)(e) or (f) proposing the creation of a special district including substantially
1626 the same area as the applicable area and providing the same service as the proposed special
1627 district in the protested resolution; and

1628 (b) shall, within five days after receiving adequate protests, mail or deliver written
1629 notification of the adequate protests to the responsible body.

1630 (4) Subsection (3)(a) may not be construed to prevent an election from being held for a
1631 proposed special district whose boundaries do not include an applicable area that is the subject
1632 of adequate protests.

1633 (5) (a) If adequate protests are not filed with respect to a resolution proposing the
1634 creation of a special district for which an election is not required under Subsection
1635 17B-1-214(3)(d), (e), (f), or (g), a resolution approving the creation of the special district shall
1636 be adopted by:

1637 (i) (A) the legislative body of a county whose unincorporated area is included within
1638 the proposed special district; and

1639 (B) the legislative body of a municipality whose area is included within the proposed
1640 special district; or

1641 (ii) the board of trustees of the initiating special district.

1642 (b) Each resolution adopted under Subsection (5)(a) shall:

1643 (i) describe the area included in the special district;

- 1644 (ii) be accompanied by a map that shows the boundaries of the special district;
1645 (iii) describe the service to be provided by the special district;
1646 (iv) state the name of the special district; and
1647 (v) provide a process for the appointment of the members of the initial board of
1648 trustees.

1649 Section 20. Section **17B-1-214** is amended to read:

1650 **17B-1-214. Election -- Exceptions.**

1651 (1) (a) Except as provided in Subsection (3) and in Subsection 17B-1-213(3)(a), an
1652 election on the question of whether the special district should be created shall be held by:

1653 (i) if the proposed special district is located entirely within a single county, the
1654 responsible clerk; or

1655 (ii) except as provided under Subsection (1)(b), if the proposed special district is
1656 located within more than one county, the clerk of each county in which part of the proposed
1657 special district is located, in cooperation with the responsible clerk.

1658 (b) Notwithstanding Subsection (1)(a)(ii), if the proposed special district is located
1659 within more than one county and the only area of a county that is included within the proposed
1660 special district is located within a single municipality, the election for that area shall be held by
1661 the municipal clerk or recorder, in cooperation with the responsible clerk.

1662 (2) Each election under Subsection (1) shall be held at the next special or regular
1663 general election date that is:

1664 (a) for an election pursuant to a property owner or registered voter petition, more than
1665 45 days after certification of the petition under [~~Subsection 17B-1-209(3)(a)~~] Subsections
1666 17B-1-209(3)(a), (b), and (c); or

1667 (b) for an election pursuant to a resolution, more than 60 days after the latest hearing
1668 required under Section 17B-1-210.

1669 (3) The election requirement of Subsection (1) does not apply to:

1670 (a) a petition filed under Subsection 17B-1-203(1)(a) if it contains the signatures of the
1671 owners of private real property that:

1672 (i) is located within the proposed special district;

1673 (ii) covers at least 67% of the total private land area within the proposed special district
1674 as a whole and within each applicable area; and

1675 (iii) is equal in value to at least 50% of the value of all private real property within the
1676 proposed special district as a whole and within each applicable area;

1677 (b) a petition filed under Subsection 17B-1-203(1)(b) if it contains the signatures of
1678 registered voters residing within the proposed special district as a whole and within each
1679 applicable area, equal in number to at least 67% of the number of votes cast in the proposed
1680 special district as a whole and in each applicable area, respectively, for the office of governor at
1681 the last general election prior to the filing of the petition;

1682 (c) a groundwater right owner petition filed under Subsection 17B-1-203(1)(c) if the
1683 petition contains the signatures of the owners of groundwater rights that:

1684 (i) are diverted within the proposed special district; and

1685 (ii) cover at least 67% of the total amount of groundwater diverted in accordance with
1686 groundwater rights within the proposed special district as a whole and within each applicable
1687 area;

1688 (d) a resolution adopted under Subsection [~~17B-1-203(1)(d)~~] 17B-1-203(1)(e) on or
1689 after May 5, 2003, that proposes the creation of a special district to provide fire protection,
1690 paramedic, and emergency services or law enforcement service, if the proposed special district:

1691 (i) includes the unincorporated area, whether in whole or in part, of one or more
1692 counties; or

1693 (ii) consists of an area that:

1694 (A) has a boundary that is the same as the boundary of the municipality whose
1695 legislative body adopts the resolution proposing the creation of the special district;

1696 (B) previously received fire protection, paramedic, and emergency services or law
1697 enforcement service from another special district; and

1698 (C) may be withdrawn from the other special district under Section 17B-1-505 without
1699 an election because the withdrawal is pursuant to an agreement under Subsection
1700 17B-1-505(5)(a)(ii)(A) or (5)(b);

1701 (e) a resolution adopted under Subsection [~~17B-1-203(1)(d) or (e)~~] 17B-1-203(1)(e) or
1702 (f) if the resolution proposes the creation of a special district that has no registered voters
1703 within its boundaries;

1704 (f) a resolution adopted under Subsection [~~17B-1-203(1)(d)~~] 17B-1-203(1)(e) on or
1705 after May 11, 2010, that proposes the creation of a special district described in Subsection

1706 17B-1-202(1)(a)(xiii); [~~or~~]

1707 (g) a resolution adopted under Section 17B-2a-1105 to create a municipal services

1708 district; or

1709 (h) a petition for the creation of an infrastructure financing district.

1710 (4) (a) If the proposed special district is located in more than one county, the
1711 responsible clerk shall coordinate with the clerk of each other county and the clerk or recorder
1712 of each municipality involved in an election under Subsection (1) so that the election is held on
1713 the same date and in a consistent manner in each jurisdiction.

1714 (b) The clerk of each county and the clerk or recorder of each municipality involved in
1715 an election under Subsection (1) shall cooperate with the responsible clerk in holding the
1716 election.

1717 (c) Except as otherwise provided in this part, each election under Subsection (1) shall
1718 be governed by Title 20A, Election Code.

1719 Section 21. Section **17B-1-215** is amended to read:

1720 **17B-1-215. Notice and plat to lieutenant governor -- Recording requirements --**
1721 **Certificate of incorporation -- Special district incorporated as specialized special district**
1722 **or basic special district -- Effective date.**

1723 (1) (a) Within the time specified in Subsection (1)(b), the responsible body shall file
1724 with the lieutenant governor:

1725 (i) if applicable, a copy of the petition certified, under Section 17B-1-209, as
1726 complying with all applicable requirements;

1727 [~~(ii)~~] (ii) a copy of a notice of an impending boundary action, as defined in Section
1728 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and

1729 [~~(iii)~~] (iii) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5.

1730 (b) The responsible body shall file the documents listed in Subsection (1)(a) with the
1731 lieutenant governor within 10 days after:

1732 (i) the canvass of an election under Section 17B-1-214, if a majority of those voting at
1733 the election within the proposed special district as a whole vote in favor of the creation of a
1734 special district;

1735 (ii) certification of a petition as to which the election requirement of Subsection
1736 17B-1-214(1) does not apply because of Subsection 17B-1-214(3)(a), (b), [~~or~~] (c), or (h); or

1737 (iii) adoption of a resolution, under Subsection 17B-1-213(5) approving the creation of
1738 a special district for which an election was not required under Subsection 17B-1-214(3)(d), (e),
1739 (f), or (g) by the legislative body of each county whose unincorporated area is included within
1740 and the legislative body of each municipality whose area is included within the proposed
1741 special district, or by the board of trustees of the initiating special district.

1742 (2) Upon the lieutenant governor's issuance of a certificate of incorporation under
1743 Section 67-1a-6.5, the responsible body shall:

1744 (a) if the special district is located within the boundary of a single county, submit to the
1745 recorder of that county:

1746 (i) the original:

1747 (A) notice of an impending boundary action;

1748 (B) certificate of incorporation; and

1749 (C) approved final local entity plat; and

1750 (ii) if applicable, a certified copy of each resolution adopted under Subsection
1751 17B-1-213(5); or

1752 (b) if the special district is located within the boundaries of more than a single county:

1753 (i) submit to the recorder of one of those counties:

1754 (A) the original of the documents listed in Subsections (2)(a)(i)(A), (B), and (C); and

1755 (B) if applicable, a certified copy of each resolution adopted under Subsection
1756 17B-1-213(5); and

1757 (ii) submit to the recorder of each other county:

1758 (A) a certified copy of the documents listed in Subsection (2)(a)(i)(A), (B), and (C);

1759 and

1760 (B) if applicable, a certified copy of each resolution adopted under Subsection
1761 17B-1-213(5).

1762 (3) The area of each special district consists of:

1763 (a) if an election was held under Section 17B-1-214, the area of the new special district
1764 as approved at the election;

1765 (b) if an election was not required because of Subsection 17B-1-214(3)(a), (b), ~~or~~ (c),
1766 or (h), the area of the proposed special district as described in the petition; or

1767 (c) if an election was not required because of Subsection 17B-1-214(3)(d), (e), (f), or

1768 (g), the area of the new special district as described in the resolution adopted under Subsection
1769 17B-1-213(5).

1770 (4) (a) Upon the lieutenant governor's issuance of the certificate of incorporation under
1771 Section 67-1a-6.5, the special district is created and incorporated as:

1772 (i) the type of specialized special district that was specified in the petition under
1773 Subsection 17B-1-203(1)(a), (b), ~~or~~ (c), or (d) or resolution under Subsection
1774 ~~[17B-1-203(1)(d) or (e)]~~ 17B-1-203(1)(e) or (f), if the petition or resolution proposed the
1775 creation of a specialized special district; or

1776 (ii) a basic special district, if the petition or resolution did not propose the creation of a
1777 specialized special district.

1778 (b) (i) The effective date of a special district's incorporation for purposes of assessing
1779 property within the special district is governed by Section 59-2-305.5.

1780 (ii) Until the documents listed in Subsection (2) are recorded in the office of the
1781 recorder of each county in which the property is located, a newly incorporated special district
1782 may not:

1783 (A) levy or collect a property tax on property within the special district;

1784 (B) levy or collect an assessment on property within the special district; ~~or~~

1785 (C) charge or collect a fee for service provided to property within the special district~~[-];~~

1786 or

1787 (D) issue bonds.

1788 Section 22. Section **17B-1-216** is amended to read:

1789 **17B-1-216. Costs and expenses of creating a special district.**

1790 (1) (a) Except as provided in Subsection (2) and subject to Subsection (1)(b), each
1791 county whose unincorporated area includes and each municipality whose boundaries include
1792 some or all of the proposed special district shall bear their respective costs and expenses
1793 associated with the procedure under this part for creating a special district.

1794 ~~(2)~~ (b) Within a year after its creation, each special district shall reimburse the costs
1795 and expenses associated with the preparation, certification, and recording of the approved final
1796 local entity plat of the special district and accompanying documents under Section 17B-1-215.

1797 (2) (a) Subject to Subsection (2)(b), the sponsors of a petition for the creation of an
1798 infrastructure financing district shall bear the costs and expenses associated with the procedure

1799 under this part for creating the infrastructure financing district.

1800 (b) An infrastructure financing district may reimburse petition sponsors the costs and
 1801 expenses the petition sponsors paid under Subsection (2)(a).

1802 Section 23. Section **17B-1-302** is amended to read:

1803 **17B-1-302. Board member qualifications -- Number of board members.**

1804 (1) Except as provided in Section 17B-2a-905, each member of a special district board
 1805 of trustees shall be:

1806 (a) a registered voter at the location of the member's residence; and

1807 (b) except as otherwise provided in Subsection (2) ~~[(or)]~~, (3), or (4), a resident within:

1808 (i) the boundaries of the special district; and

1809 (ii) if applicable, the boundaries of the division of the special district from which the
 1810 member is elected or appointed.

1811 (2) (a) As used in this Subsection (2):

1812 (i) "Proportional number" means the number of members of a board of trustees that
 1813 bears, as close as mathematically possible, the same proportion to all members of the board that
 1814 the number of seasonally occupied homes bears to all residences within the district that receive
 1815 service from the district.

1816 (ii) "Seasonally occupied home" means a single-family residence:

1817 (A) that is located within the special district;

1818 (B) that receives service from the special district; and

1819 (C) whose owner occupies the residence on a temporary or seasonal basis, rather than
 1820 as the principal place of residence as defined in Section 20A-2-105.

1821 (b) If over 50% of the residences within a special district that receive service from the
 1822 special district are seasonally occupied homes, the requirement under Subsection (1)(b) is
 1823 replaced, for a proportional number of members of the board of trustees, with the requirement
 1824 that the member be an owner of land, or an agent or officer of the owner of land:

1825 (i) that receives, or intends to receive, service from the district; and

1826 (ii) that is located within the special district and, if applicable, the division from which
 1827 the member is elected.

1828 (3) (a) ~~[For]~~ Subsection (3)(b) applies to a board of trustees member in:

1829 (i) a basic special district~~[-or in];~~

1830 (ii) any other type of special district that is located solely within a county of the fourth,
 1831 fifth, or sixth class, that has within the district's boundaries fewer than one residential dwelling
 1832 unit per 10 acres of land[-]; or

1833 (iii) an infrastructure financing district.

1834 (b) For a board of trustees member in a special district listed in Subsection (3)(a), the
 1835 board of trustees may replace the requirement under Subsection (1)(b) [may be replaced by]
 1836 with the requirement that the member be:

1837 (i) a resident within the boundaries of the special district; or

1838 (ii) an owner of land, or an agent or officer of the owner of land, that:

1839 (A) is located within the special district [that]; and

1840 (B) receives, or [intends] is expected to receive, service from the district.

1841 (4) A board member of an infrastructure financing district is not required to be a
 1842 resident within the boundary of the infrastructure financing district if:

1843 (a) all owners of surface property within the district waive the residency requirement;

1844 (b) the district boundary does not include any residents; or

1845 (c) (i) in the case of an appointed board position, no qualified individual timely files to
 1846 be considered for appointment to the board; or

1847 (ii) in the case of an elected board position, no qualified individual files a declaration
 1848 of candidacy for the board position under Subsection 17B-1-306(5).

1849 ~~(b)~~ (5) A member of the board of trustees of a service area described in Subsection
 1850 17B-2a-905(2)(a) or (3)(a), who is an elected official of the county appointing the individual, is
 1851 not subject to the requirements described in Subsection (1)(b) if the elected official was elected
 1852 at large by the voters of the county.

1853 ~~(c)~~ (6) Notwithstanding Subsection (1)(b) and except as provided in Subsection
 1854 ~~(3)(d)~~ (7), the county legislative body may appoint to the special district board one of the
 1855 county legislative body's own members, regardless of whether the member resides within the
 1856 boundaries described in Subsection (1)(b), if:

1857 ~~(f)~~ (a) the county legislative body satisfies the procedures to fill a vacancy described
 1858 in:

1859 ~~(A)~~ (i) for the appointment of a new board member, Subsections 17B-1-304(2) and
 1860 (3); or

1861 ~~[(B)]~~ (ii) for an appointment to fill a midterm vacancy, Subsection 20A-1-512(1)(a)(ii)
1862 or Subsection 20A-1-512(2);

1863 ~~[(ii)]~~ (b) fewer qualified candidates timely file to be considered for appointment to the
1864 special district board than are necessary to fill the board;

1865 ~~[(iii)]~~ (c) the county legislative body appoints each of the qualified candidates who
1866 timely filed to be considered for appointment to the board; and

1867 ~~[(iv)]~~ (d) the county legislative body appoints a member of the body to the special
1868 district board, in accordance with Subsection 17B-1-304(6) or Subsection 20A-1-512(1)(c),
1869 who was:

1870 ~~[(A)]~~ (i) elected at large by the voters of the county;

1871 ~~[(B)]~~ (ii) elected from a division of the county that includes more than 50% of the
1872 geographic area of the special district; or

1873 ~~[(C)]~~ (iii) if the special district is divided into divisions under Section 17B-1-306.5,
1874 elected from a division of the county that includes more than 50% of the geographic area of the
1875 division of the special district in which there is a board vacancy.

1876 ~~[(d)]~~ (7) If it is necessary to reconstitute the board of trustees of a special district
1877 located solely within a county of the fourth, fifth, or sixth class because the term of a majority
1878 of the members of the board has expired without new trustees having been elected or appointed
1879 as required by law, even if sufficient qualified candidates timely file to be considered for a
1880 vacancy on the board, the county legislative body may appoint to the special district board no
1881 more than one of the county legislative body's own members who does not satisfy the
1882 requirements of Subsection (1).

1883 ~~[(4)]~~ (8) (a) Except as otherwise provided by statute, the number of members of each
1884 board of trustees of a special district that has nine or fewer members shall have an odd number
1885 of members that is no fewer than three.

1886 (b) If a board of trustees of a special district has more than nine members, the number
1887 of members may be odd or even.

1888 ~~[(5)]~~ (9) For a newly created special district, the number of members of the initial
1889 board of trustees shall be the number specified:

1890 (a) for a special district whose creation was initiated by a petition under Subsection
1891 17B-1-203(1)(a), (b), ~~[or]~~ (c), or (d), in the petition; or

1892 (b) for a special district whose creation was initiated by a resolution under Subsection
 1893 [~~17B-1-203(1)(d) or (e)~~] 17B-1-203(1)(e) or (f), in the resolution.

1894 [~~(6)~~] (10) (a) For an existing special district, the number of members of the board of
 1895 trustees may be changed by a two-thirds vote of the board of trustees.

1896 (b) No change in the number of members of a board of trustees under Subsection
 1897 [~~(6)(a)~~] (10)(a) may:

1898 (i) violate Subsection [~~(4)~~] (8); or

1899 (ii) serve to shorten the term of any member of the board.

1900 Section 24. Section **17B-1-303** is amended to read:

1901 **17B-1-303. Term of board of trustees members -- Oath of office -- Bond -- Notice**
 1902 **of board member contact information.**

1903 (1) (a) Except as provided in Subsections (1)(b), (c), (d), and (e), the term of each
 1904 member of a board of trustees begins at noon on the January 1 following the member's election
 1905 or appointment.

1906 (b) The term of each member of the initial board of trustees of a newly created special
 1907 district begins:

1908 (i) upon appointment, for an appointed member; and

1909 (ii) upon the member taking the oath of office after the canvass of the election at which
 1910 the member is elected, for an elected member.

1911 (c) The term of each water conservancy district board member whom the governor
 1912 appoints in accordance with Subsection 17B-2a-1005(2)(c):

1913 (i) begins on the later of the following:

1914 (A) the date on which the Senate consents to the appointment; or

1915 (B) the expiration date of the prior term; and

1916 (ii) ends on the February 1 that is approximately four years after the date described in
 1917 Subsection (1)(c)(i)(A) or (B).

1918 (d) The term of a member of a board of trustees whom an appointing authority appoints
 1919 in accordance with Subsection (5)(b) begins upon the member taking the oath of office.

1920 (e) If the member of the board of trustees fails to assume or qualify for office on
 1921 January 1 for any reason, the term begins on the date the member assumes or qualifies for
 1922 office.

1923 (2) (a) (i) Except as provided in Subsection (8), and subject to Subsections (2)(a)(ii)
1924 and (iii), the term of each member of a board of trustees is four years, except that:

1925 (A) approximately half the members of the initial board of trustees of an infrastructure
1926 financing district, as designated in the governing document, shall serve a six-year term so that
1927 the term of approximately half the board members expires every two years; and

1928 (B) for any other special district, approximately half the members of the initial board of
1929 trustees, chosen by lot, shall serve a two-year term so that the term of approximately half the
1930 board members expires every two years.

1931 (ii) If the terms of members of the initial board of trustees of a newly created special
1932 district do not begin on January 1 because of application of Subsection (1)(b), the terms of
1933 those members shall be adjusted as necessary, subject to Subsection (2)(a)(iii), to result in the
1934 terms of their successors complying with:

1935 (A) the requirement under Subsection (1)(a) for a term to begin on January 1 following
1936 a member's election or appointment; and

1937 (B) the requirement under Subsection (2)(a)(i) that terms be four years.

1938 (iii) If the term of a member of a board of trustees does not begin on January 1 because
1939 of the application of Subsection (1)(e), the term is shortened as necessary to result in the term
1940 complying with the requirement under Subsection (1)(a) that the successor member's term,
1941 regardless of whether the incumbent is the successor, begins at noon on January 1 following the
1942 successor member's election or appointment.

1943 (iv) An adjustment under Subsection (2)(a)(ii) may not add more than a year to or
1944 subtract more than a year from a member's term.

1945 (b) Each board of trustees member shall serve until a successor is duly elected or
1946 appointed and qualified, unless the member earlier is removed from office or resigns or
1947 otherwise leaves office.

1948 (c) If a member of a board of trustees no longer meets the qualifications of Subsection
1949 17B-1-302(1), (2), [~~or~~] (3), (4), (5), (6), or (7), or if the member's term expires without a duly
1950 elected or appointed successor:

1951 (i) the member's position is considered vacant, subject to Subsection (2)(c)(ii); and

1952 (ii) the member may continue to serve until a successor is duly elected or appointed
1953 and qualified.

1954 (3) (a) (i) Before entering upon the duties of office, each member of a board of trustees
1955 shall take the oath of office specified in Utah Constitution, Article IV,
1956 Section 10.

1957 (ii) A judge, county clerk, notary public, or the special district clerk may administer an
1958 oath of office.

1959 (b) The member of the board of trustees taking the oath of office shall file the oath of
1960 office with the clerk of the special district.

1961 (c) The failure of a board of trustees member to take the oath under Subsection (3)(a)
1962 does not invalidate any official act of that member.

1963 (4) A board of trustees member may serve any number of terms.

1964 (5) (a) Except as provided in Subsection (6), each midterm vacancy in a board of
1965 trustees position is filled in accordance with Section 20A-1-512.

1966 (b) When the number of members of a board of trustees increases in accordance with
1967 Subsection [~~17B-1-302(6)~~] 17B-1-302(10), the appointing authority may appoint an individual
1968 to fill a new board of trustees position in accordance with Section 17B-1-304 or 20A-1-512.

1969 (6) (a) As used in this Subsection (6):

1970 (i) "Appointed official" means a person who:

1971 (A) is appointed as a member of a special district board of trustees by a county or
1972 municipality that is entitled to appoint a member to the board; and

1973 (B) holds an elected position with the appointing county or municipality.

1974 (ii) "Appointing entity" means the county or municipality that appointed the appointed
1975 official to the board of trustees.

1976 (b) The board of trustees shall declare a midterm vacancy for the board position held
1977 by an appointed official if:

1978 (i) during the appointed official's term on the board of trustees, the appointed official
1979 ceases to hold the elected position with the appointing entity; and

1980 (ii) the appointing entity submits a written request to the board to declare the vacancy.

1981 (c) Upon the board's declaring a midterm vacancy under Subsection (6)(b), the
1982 appointing entity shall appoint another person to fill the remaining unexpired term on the board
1983 of trustees.

1984 (7) (a) A member of a board of trustees shall obtain a fidelity bond or obtain theft or

1985 crime insurance for the faithful performance of the member's duties, in the amount and with the
1986 sureties or with an insurance company that the board of trustees prescribes.

1987 (b) The special district:

1988 (i) may assist the board of trustees in obtaining a fidelity bond or obtaining theft or
1989 crime insurance as a group or for members individually; and

1990 (ii) shall pay the cost of each fidelity bond or insurance coverage required under this
1991 Subsection (7).

1992 (8) (a) The lieutenant governor may extend the term of an elected district board
1993 member by one year in order to compensate for a change in the election year under Subsection
1994 17B-1-306(14).

1995 (b) When the number of members of a board of trustees increases in accordance with
1996 Subsection [~~17B-1-302(6)~~] 17B-1-302(10), to ensure that the term of approximately half of the
1997 board members expires every two years in accordance with Subsection (2)(a):

1998 (i) the board shall set shorter terms for approximately half of the new board members,
1999 chosen by lot; and

2000 (ii) the initial term of a new board member position may be less than two or four years.

2001 (9) (a) A special district shall:

2002 (i) post on the Utah Public Notice Website created in Section 63A-16-601 the name,
2003 phone number, and email address of each member of the special district's board of trustees;

2004 (ii) update the information described in Subsection (9)(a)(i) when:

2005 (A) the membership of the board of trustees changes; or

2006 (B) a member of the board of trustees' phone number or email address changes; and

2007 (iii) post any update required under Subsection (9)(a)(ii) within 30 days after the date
2008 on which the change requiring the update occurs.

2009 (b) This Subsection (9) applies regardless of whether the county or municipal
2010 legislative body also serves as the board of trustees of the special district.

2011 Section 25. Section **17B-1-306.5** is amended to read:

2012 **17B-1-306.5. Dividing a special district into divisions.**

2013 (1) Subject to Subsection (3), the board of trustees of a special district that has elected
2014 board members may, upon a vote of two-thirds of the members of the board, divide the special
2015 district, or the portion of the special district represented by elected board of trustees members,

2016 into divisions so that some or all of the elected members of the board of trustees may be elected
2017 by division rather than at large.

2018 (2) Subject to Subsection (3), the appointing authority of a special district that has
2019 appointed board members may, upon a vote of two-thirds of the members of the appointing
2020 authority, divide the special district, or the portion of the special district represented by
2021 appointed board members, into divisions so that some or all of the appointed members of the
2022 board of trustees may be appointed by division rather than at large.

2023 (3) Before dividing a special district into divisions or before changing the boundaries
2024 of divisions already established, the board of trustees under Subsection (1), or the appointing
2025 authority, under Subsection (2), shall:

2026 (a) prepare a proposal that describes the boundaries of the proposed divisions; and

2027 (b) hold a public hearing at which any interested person may appear and speak for or
2028 against the proposal.

2029 (4) (a) The board of trustees or the appointing authority shall review the division
2030 boundaries at least every 10 years.

2031 (b) Except for changes in the divisions necessitated by annexations to or withdrawals
2032 from the special district, the boundaries of divisions established under Subsection (1) or (2)
2033 may not be changed more often than every five years.

2034 (c) Changes to the boundaries of divisions already established under Subsection (1) or
2035 (2) are not subject to the two-thirds vote requirement of Subsection (1) or (2).

2036 (5) (a) Notwithstanding Subsections (1) through (4), after the creation of an
2037 infrastructure financing district the board of trustees may divide the infrastructure financing
2038 district into divisions, as provided in the petition to create the infrastructure financing district
2039 under Subsection 17B-1-205(1)(m), so that some or all board members represent a division
2040 rather than the district at large.

2041 (b) No more frequently than every four years, the board of an infrastructure financing
2042 district may modify division boundaries to ensure that each division has as nearly as possible
2043 the same number of registered voters.

2044 (c) In dividing an infrastructure financing district into divisions or in modifying
2045 division boundaries, the board shall consider the anticipated future number of registered voters
2046 within divisions based on proposed development within the divisions.

2047 Section 26. Section **17B-1-403** is amended to read:

2048 **17B-1-403. Initiation of annexation process -- Petition and resolution.**

2049 (1) Except as provided in Sections 17B-1-415, 17B-1-416, and 17B-1-417, the process
2050 to annex an area to a special district may be initiated by[:] a petition, as provided in Subsection
2051 (2), or a resolution, as provided in Subsection (3).

2052 (2) (a) [~~(i)~~ ~~for~~] For a district whose board of trustees is elected by electors based on the
2053 acre-feet of water allotted to the land owned by the elector and subject to Subsection [~~(2)~~] (4),
2054 the process to annex an area to the special district is initiated by a petition signed by the owners
2055 of all of the acre-feet of water allotted to the land proposed for annexation[~~;~~ ~~or~~].

2056 (b) For an infrastructure financing district, the process to annex an area to the
2057 infrastructure financing district is initiated by a petition signed by 100% of the owners of all
2058 surface property within the area proposed for annexation that is within the designated
2059 expansion area, as defined in Section 17B-2a-1301.

2060 (c) [~~(ii)~~ ~~for~~] For all other districts, the process to annex an area to the special district
2061 may be initiated by[:]

2062 [~~(A)~~] a petition signed by:

2063 [~~(i)~~] (i) the owners of private real property that:

2064 [~~(Aa)~~] (A) is located within the area proposed to be annexed;

2065 [~~(Bb)~~] (B) covers at least 10% of the total private land area within the entire area
2066 proposed to be annexed and within each applicable area; and

2067 [~~(Cc)~~] (C) is equal in assessed value to at least 10% of the assessed value of all private
2068 real property within the entire area proposed to be annexed and within each applicable area;

2069 [or]

2070 [~~(H)~~] (ii) the owner of all the publicly owned real property, if all the real property
2071 within the area proposed for annexation is owned by a public entity other than the federal
2072 government; or

2073 [~~(B)~~] (iii) [a petition signed by] registered voters residing within the entire area
2074 proposed to be annexed and within each applicable area equal in number to at least 10% of the
2075 number of votes cast within the entire area proposed to be annexed and within each applicable
2076 area, respectively, for the office of governor at the last regular general election before the filing
2077 of the petition[:].

2078 ~~[(b)]~~ (3) The process to annex an area to a special district may be initiated by:

2079 (a) a resolution adopted by the legislative body of each county whose unincorporated
2080 area includes and each municipality whose boundaries include any of the area proposed to be
2081 annexed; or

2082 ~~[(c)]~~ (b) a resolution adopted by the board of trustees of the proposed annexing special
2083 district if, for at least 12 consecutive months immediately preceding adoption of the resolution,
2084 the special district has provided:

2085 (i) retail service to the area; or

2086 (ii) a wholesale service to a provider of the same service that has provided that service
2087 on a retail basis to the area.

2088 ~~[(2)]~~ (4) If an association representing all acre-feet of water allotted to the land that is
2089 proposed to be annexed to a special district signs a petition under Subsection ~~[(1)(a)(i)]~~ (2)(a),
2090 pursuant to a proper exercise of authority as provided in the bylaws or other rules governing the
2091 association, the petition shall be considered to have been signed by the owners of all of the
2092 acre-feet of water allotted to the land proposed for annexation, even though less than all of the
2093 owners within the association consented to the association signing the petition.

2094 ~~[(3)]~~ (5) Each petition under Subsection (2) and resolution under Subsection ~~[(1)]~~ (3)
2095 shall:

2096 (a) describe the area proposed to be annexed; and

2097 (b) be accompanied by a map of the boundaries of the area proposed to be annexed.

2098 ~~[(4)]~~ (6) The legislative body of each county and municipality that adopts a resolution
2099 under Subsection ~~[(1)(b)]~~ (3) shall, within five days after adopting the resolution, mail or
2100 deliver a copy of the resolution to the board of trustees of the proposed annexing special
2101 district.

2102 Section 27. Section **17B-1-404** is amended to read:

2103 **17B-1-404. Petition requirements.**

2104 (1) Each petition under Subsection ~~[(17B-1-403(1)(a))]~~ 17B-1-403(2) shall:

2105 (a) indicate the typed or printed name and current residence address of each person
2106 signing the petition;

2107 (b) separately group signatures by county and municipality, so that all signatures of the
2108 owners of real property located within or of registered voters residing within each county

2109 whose unincorporated area includes and each municipality whose boundaries include part of
2110 the area proposed for annexation are grouped separately;

2111 (c) if it is a petition under Subsection [~~17B-1-403(1)(a)(i) or (ii)(A)~~] 17B-1-403(2)(a)
2112 or (2)(c)(i) or (ii), indicate the address of the property as to which the owner is signing the
2113 petition;

2114 (d) designate up to three signers of the petition as sponsors, one of whom shall be
2115 designated the contact sponsor, with the mailing address and telephone number of each;

2116 (e) be filed with the board of trustees of the proposed annexing special district; and

2117 (f) for a petition under Subsection [~~17B-1-403(1)(a)(i)~~] 17B-1-403(2)(a), state the
2118 proposed method of supplying water to the area proposed to be annexed.

2119 (2) By submitting a written withdrawal or reinstatement with the board of trustees of
2120 the proposed annexing special district, a signer of a petition may withdraw, or once withdrawn,
2121 reinstate the signer's signature at any time:

2122 (a) (i) before the public hearing under Section 17B-1-409 is held; or

2123 [~~(b)~~] (ii) if a hearing is not held because of Subsection 17B-1-413(1) or because no
2124 hearing is requested under Subsection 17B-1-413(2)(a)(ii)(B), until 20 days after the special
2125 district provides notice under Subsection 17B-1-413(2)(a)(i)[-]; or

2126 (b) for an infrastructure financing district, before the board of trustees adopts a
2127 resolution approving the annexation.

2128 Section 28. Section **17B-1-405** is amended to read:

2129 **17B-1-405. Petition certification.**

2130 (1) Within 30 days after the filing of a petition under Subsection [~~17B-1-403(1)(a)(i) or~~
2131 ~~(ii)~~] 17B-1-403(2) or within the time that the special district and each petition sponsor
2132 designate by written agreement, the board of trustees of the proposed annexing special district
2133 shall:

2134 (a) with the assistance of officers of the county in which the area proposed to be
2135 annexed is located from whom the board requests assistance, determine whether the petition
2136 meets the requirements of Subsection [~~17B-1-403(1)(a)(i) or (ii)~~] 17B-1-403(2)(a), (b), or (c),
2137 as the case may be, Subsection [~~17B-1-403(3)~~] 17B-1-403(5), and Subsection 17B-1-404(1);
2138 and

2139 (b) (i) if the board determines that the petition complies with the requirements, certify

2140 the petition and mail or deliver written notification of the certification to the contact sponsor;
2141 or

2142 (ii) if the board determines that the petition fails to comply with any of the
2143 requirements, reject the petition and mail or deliver written notification of the rejection and the
2144 reasons for the rejection to the contact sponsor.

2145 (2) (a) If the board rejects a petition under Subsection (1)(b)(ii), the petition may be
2146 amended to correct the deficiencies for which it was rejected and then refiled.

2147 (b) A valid signature on a petition that was rejected under Subsection (1)(b)(ii) may be
2148 used toward fulfilling the applicable signature requirement of the petition as amended under
2149 Subsection (2)(a).

2150 (3) The board shall process an amended petition filed under Subsection (2)(a) in the
2151 same manner as an original petition under Subsection (1).

2152 Section 29. Section **17B-1-405.5** is enacted to read:

2153 **17B-1-405.5. Provisions not applicable to infrastructure financing district**
2154 **annexation.**

2155 Sections 17B-1-406, 17B-1-407, 17B-1-408, 17B-1-409, 17B-1-410, 17B-1-411,
2156 17B-1-412, and 17B-1-413 do not apply to a proposed annexation to an infrastructure financing
2157 district.

2158 Section 30. Section **17B-1-414** is amended to read:

2159 **17B-1-414. Resolution approving an annexation -- Filing of notice and plat with**
2160 **lieutenant governor -- Recording requirements -- Effective date.**

2161 (1) (a) Subject to Subsection (1)(b), the special district board shall adopt a resolution
2162 approving the annexation of the area proposed to be annexed or rejecting the proposed
2163 annexation within 90 days after:

2164 (i) expiration of the protest period under Subsection 17B-1-412(2), if sufficient protests
2165 to require an election are not filed;

2166 (ii) for a petition that meets the requirements of Subsection 17B-1-413(1):

2167 (A) a public hearing under Section 17B-1-409 is held, if the board chooses or is
2168 required to hold a public hearing under Subsection 17B-1-413(2)(a)(ii); or

2169 (B) expiration of the time for submitting a request for public hearing under Subsection
2170 17B-1-413(2)(a)(ii)(B), if no request is submitted and the board chooses not to hold a public

2171 hearing[-]; or

2172 (iii) for a proposed annexation to an infrastructure financing district, the board's
2173 certification of the annexation petition under Section 17B-1-405.

2174 (b) If the special district has entered into an agreement with the United States that
2175 requires the consent of the United States for an annexation of territory to the district, a
2176 resolution approving annexation under this part may not be adopted until the written consent of
2177 the United States is obtained and filed with the board of trustees.

2178 (2) (a) (i) Within the time specified under Subsection (2)(a)(ii), the board shall file with
2179 the lieutenant governor:

2180 (A) a copy of a notice of an impending boundary action, as defined in Section
2181 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3) and, if applicable,
2182 Subsection (2)(b); and

2183 (B) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5.

2184 (ii) The board shall file the documents listed in Subsection (2)(a)(i) with the lieutenant
2185 governor:

2186 (A) within 30 days after adoption of a resolution under Subsection (1), Subsection
2187 17B-1-412(3)(c)(i), or Section 17B-1-415; and

2188 (B) as soon as practicable after receiving the notice under Subsection 10-2-425(2) of a
2189 municipal annexation that causes an automatic annexation to a special district under Section
2190 17B-1-416.

2191 (b) For an automatic annexation to a special district under Section 17B-1-416, the
2192 notice of an impending boundary action required under Subsection (2)(a) shall state that an area
2193 outside the boundaries of the special district is being automatically annexed to the special
2194 district under Section 17B-1-416 because of a municipal annexation under Title 10, Chapter 2,
2195 Part 4, Annexation.

2196 (c) Upon the lieutenant governor's issuance of a certificate of annexation under Section
2197 67-1a-6.5, the board shall:

2198 (i) if the annexed area is located within the boundary of a single county, submit to the
2199 recorder of that county:

2200 (A) the original:

2201 (I) notice of an impending boundary action;

- 2202 (II) certificate of annexation; and
- 2203 (III) approved final local entity plat; and
- 2204 (B) a certified copy of the annexation resolution; or
- 2205 (ii) if the annexed area is located within the boundaries of more than a single county:
- 2206 (A) submit to the recorder of one of those counties:
- 2207 (I) the original of the documents listed in Subsections (2)(c)(i)(A)(I), (II), and (III); and
- 2208 (II) a certified copy of the annexation resolution; and
- 2209 (B) submit to the recorder of each other county:
- 2210 (I) a certified copy of the documents listed in Subsection (2)(c)(i)(A)(I), (II), and (III);
- 2211 and
- 2212 (II) a certified copy of the annexation resolution.
- 2213 (3) (a) As used in this Subsection (3), "fire district annexation" means an annexation
- 2214 under this part of an area located in a county of the first class to a special district:
- 2215 (i) created to provide fire protection, paramedic, and emergency services; and
- 2216 (ii) in the creation of which an election was not required because of Subsection
- 2217 17B-1-214(3)(d).
- 2218 (b) An annexation under this part is complete and becomes effective:
- 2219 (i) (A) on July 1 for a fire district annexation, if the lieutenant governor issues the
- 2220 certificate of annexation under Section 67-1a-6.5 from January 1 through June 30; or
- 2221 (B) on January 1 for a fire district annexation, if the lieutenant governor issues the
- 2222 certificate of annexation under Section 67-1a-6.5 from July 1 through December 31; or
- 2223 (ii) upon the lieutenant governor's issuance of the certificate of annexation under
- 2224 Section 67-1a-6.5, for any other annexation.
- 2225 (c) (i) The effective date of a special district annexation for purposes of assessing
- 2226 property within the annexed area is governed by Section 59-2-305.5.
- 2227 (ii) Until the documents listed in Subsection (2)(c) are recorded in the office of the
- 2228 recorder of each county in which the property is located, a special district may not:
- 2229 (A) levy or collect a property tax on property within the annexed area;
- 2230 (B) levy or collect an assessment on property within the annexed area; or
- 2231 (C) charge or collect a fee for service provided to property within the annexed area.
- 2232 (iii) Subsection (3)(c)(ii)(C):

2233 (A) may not be construed to limit a special district's ability before annexation to charge
2234 and collect a fee for service provided to property that is outside the special district's boundary;
2235 and

2236 (B) does not apply until 60 days after the effective date, under Subsection (3)(b), of the
2237 special district's annexation, with respect to a fee that the special district was charging for
2238 service provided to property within the annexed area immediately before the area was annexed
2239 to the special district.

2240 Section 31. Section **17B-1-504** is amended to read:

2241 **17B-1-504. Initiation of withdrawal process -- Notice of petition.**

2242 (1) Except as provided in Section 17B-1-505, the process to withdraw an area from a
2243 special district may be initiated:

2244 (a) for a special district funded predominantly by revenues from property taxes or
2245 service charges other than those based upon acre-feet of water:

2246 (i) by a petition signed by the owners of private real property that:

2247 (A) is located within the area proposed to be withdrawn;

2248 (B) covers at least 51% of the total private land within the area proposed to be
2249 withdrawn; and

2250 (C) is equal in taxable value to at least 51% of the taxable value of all private real
2251 property within the area proposed to be withdrawn;

2252 (ii) by a petition signed by registered voters residing within the area proposed to be
2253 withdrawn equal in number to at least 67% of the number of votes cast in the same area for the
2254 office of governor at the last regular general election before the filing of the petition;

2255 (iii) by a resolution adopted by the board of trustees of the special district in which the
2256 area proposed to be withdrawn is located, which:

2257 (A) states the reasons for withdrawal; and

2258 (B) is accompanied by a general description of the area proposed to be withdrawn; or

2259 (iv) by a resolution to file a petition with the special district to withdraw from the
2260 special district all or a specified portion of the area within a municipality or county, adopted by
2261 the governing body of a municipality that has within its boundaries an area located within the
2262 boundaries of a special district, or by the governing body of a county that has within its
2263 boundaries an area located within the boundaries of a special district that is located in more

2264 than one county, which petition of the governing body shall be filed with the board of trustees
 2265 only if a written request to petition the board of trustees to withdraw an area from the special
 2266 district has been filed with the governing body of the municipality, or county, and the request
 2267 has been signed by registered voters residing within the boundaries of the area proposed for
 2268 withdrawal equal in number to at least 51% of the number of votes cast in the same area for the
 2269 office of governor at the last regular general election before the filing of the petition;

2270 (b) for a special district whose board of trustees is elected by electors based on the
 2271 acre-feet of water allotted to the land owned by the elector:

2272 (i) in the same manner as provided in Subsection (1)(a)(iii) or Subsection (1)(a)(iv); or

2273 (ii) by a petition signed by the owners of at least 67% of the acre-feet of water allotted
 2274 to the land proposed to be withdrawn; ~~or~~

2275 (c) for a special district funded predominantly by revenues other than property taxes,
 2276 service charges, or assessments based upon an allotment of acre-feet of water:

2277 (i) in the same manner as provided in Subsection (1)(a)(iii) or Subsection (1)(a)(iv); or

2278 (ii) by a petition signed by the registered voters residing within the entire area proposed
 2279 to be withdrawn, which area shall be comprised of an entire unincorporated area within the
 2280 special district or an entire municipality within a special district, or a combination thereof,
 2281 equal in number to at least 67% of the number of votes cast within the entire area proposed to
 2282 be withdrawn for the office of governor at the last regular general election before the filing of
 2283 the petition~~[-]; or~~

2284 (d) for an infrastructure financing district, by a petition signed by 100% of the owners
 2285 of all surface property within the area proposed to be withdrawn.

2286 (2) (a) Prior to soliciting any signatures on a petition under Subsection (1), the
 2287 sponsors of the petition shall:

2288 ~~(a)~~ (i) notify the special district board with which the petition is intended to be filed
 2289 that the sponsors will be soliciting signatures for a petition; and

2290 ~~(b)~~ (ii) mail a copy of the petition to the special district board.

2291 (b) Subsection (2)(a) does not apply to a petition to withdraw an area from an
 2292 infrastructure financing district.

2293 Section 32. Section **17B-1-506** is amended to read:

2294 **17B-1-506. Withdrawal petition requirements.**

- 2295 (1) Each petition under Section 17B-1-504 shall:
- 2296 (a) indicate the typed or printed name and current address of each owner of acre-feet of
- 2297 water, property owner, registered voter, or authorized representative of the governing body
- 2298 signing the petition;
- 2299 (b) separately group signatures by municipality and, in the case of unincorporated
- 2300 areas, by county;
- 2301 (c) if it is a petition signed by the owners of land, the assessment of which is based on
- 2302 acre-feet of water, indicate the address of the property and the property tax identification parcel
- 2303 number of the property as to which the owner is signing the request;
- 2304 (d) designate up to three signers of the petition as sponsors, or in the case of a petition
- 2305 filed under Subsection 17B-1-504(1)(a)(iv), designate a governmental representative as a
- 2306 sponsor, and in each case, designate one sponsor as the contact sponsor with the mailing
- 2307 address and telephone number of each;
- 2308 (e) state the reasons for withdrawal; and
- 2309 (f) when the petition is filed with the special district board of trustees, be accompanied
- 2310 by a map generally depicting the boundaries of the area proposed to be withdrawn and a legal
- 2311 description of the area proposed to be withdrawn.
- 2312 (2) (a) The special district may prepare an itemized list of expenses, other than attorney
- 2313 expenses, that will necessarily be incurred by the special district in the withdrawal proceeding.
- 2314 The itemized list of expenses may be submitted to the contact sponsor. If the list of expenses is
- 2315 submitted to the contact sponsor within 21 days after receipt of the petition, the contact sponsor
- 2316 on behalf of the petitioners shall be required to pay the expenses to the special district within
- 2317 90 days of receipt. Until funds to cover the expenses are delivered to the special district, the
- 2318 district will have no obligation to proceed with the withdrawal and the time limits on the
- 2319 district stated in this part will be tolled. If the expenses are not paid within the 90 days, or
- 2320 within 90 days from the conclusion of any arbitration under Subsection (2)(b), the petition
- 2321 requesting the withdrawal shall be considered to have been withdrawn.
- 2322 (b) If there is no agreement between the board of trustees of the special district and the
- 2323 contact sponsor on the amount of expenses that will necessarily be incurred by the special
- 2324 district in the withdrawal proceeding, either the board of trustees or the contact sponsor may
- 2325 submit the matter to binding arbitration in accordance with Title 78B, Chapter 6, Part 2,

2326 Alternative Dispute Resolution Act; provided that, if the parties cannot agree upon an arbitrator
2327 and the rules and procedures that will control the arbitration, either party may pursue
2328 arbitration under Title 78B, Chapter 11, Utah Uniform Arbitration Act.

2329 (3) (a) A signer of a petition may withdraw or, once withdrawn, reinstate the signer's
2330 signature at any time before the public hearing under Section 17B-1-508 by submitting a
2331 written statement requesting withdrawal or reinstatement with the board of trustees of the
2332 special district in which the area proposed to be withdrawn is located.

2333 (b) A statement described in Subsection (3)(a) shall comply with the requirements
2334 described in Subsection 20A-1-1003(2).

2335 (c) As applicable and using the procedures described in Subsection 20A-1-1003(3), the
2336 county clerk shall assist the board of trustees to determine whether to remove or reinstate a
2337 registered voter's signature after the voter submits a timely, valid statement described in
2338 Subsection (3)(a).

2339 (4) If it reasonably appears that, if the withdrawal which is the subject of a petition
2340 filed under Subsection 17B-1-504(1)(a)(i) or (ii) is granted, it will be necessary for a
2341 municipality to provide to the withdrawn area the service previously supplied by the special
2342 district, the board of trustees of the special district may, within 21 days after receiving the
2343 petition, notify the contact sponsor in writing that, before it will be considered by the board of
2344 trustees, the petition shall be presented to and approved by the governing body of the
2345 municipality as provided in Subsection 17B-1-504(1)(a)(iv) before it will be considered by the
2346 special district board of trustees. If the notice is timely given to the contact sponsor, the
2347 petition shall be considered to have been withdrawn until the municipality files a petition with
2348 the special district under Subsection 17B-1-504(1)(a)(iv).

2349 (5) (a) After receiving the notice required by Subsection 17B-1-504(2), unless
2350 specifically allowed by law, a public entity may not make expenditures from public funds to
2351 support or oppose the gathering of signatures on a petition for withdrawal.

2352 (b) Nothing in this section prohibits a public entity from providing factual information
2353 and analysis regarding a withdrawal petition to the public, so long as the information grants
2354 equal access to both the opponents and proponents of the petition for withdrawal.

2355 (c) Nothing in this section prohibits a public official from speaking, campaigning,
2356 contributing personal money, or otherwise exercising the public official's constitutional rights.

2357 (6) Subsections (2), (3), (4), and (5) do not apply to a petition seeking the withdrawal
2358 of an area from an infrastructure financing district.

2359 Section 33. Section **17B-1-511** is amended to read:

2360 **17B-1-511. Continuation of tax levy or assessment after withdrawal to pay for**
2361 **proportionate share of district bonds.**

2362 (1) Other than as provided in Subsection (2), and unless an escrow trust fund is
2363 established and funded pursuant to Subsection 17B-1-510(5)(j), property within the withdrawn
2364 area shall continue after withdrawal to be taxable by the special district:

2365 (a) for the purpose of paying the withdrawn area's just proportion of the special
2366 district's general obligation bonds or lease obligations payable from property taxes with respect
2367 to lease revenue bonds issued by a local building authority on behalf of the special district,
2368 other than those bonds treated as revenue bonds under Subsection 17B-1-510(5)(i), until the
2369 bonded indebtedness has been satisfied; and

2370 (b) to the extent and for the years necessary to generate sufficient revenue that, when
2371 combined with the revenues from the district remaining after withdrawal, is sufficient to
2372 provide for the payment of principal and interest on the district's general obligation bonds that
2373 are treated as revenue bonds under Subsection 17B-1-510(5)(i).

2374 (2) For a special district funded predominately by revenues other than property taxes,
2375 service charges, or assessments based upon an allotment of acre-feet of water, property within
2376 the withdrawn area shall continue to be taxable by the special district for purposes of paying
2377 the withdrawn area's proportionate share of bonded indebtedness or judgments against the
2378 special district incurred prior to the date the petition was filed.

2379 (3) An area withdrawn from an infrastructure financing district remains subject to any
2380 taxes, fees, and assessments imposed by the infrastructure financing district until obligations
2381 allocable to the withdrawn area are paid.

2382 [~~(3)~~] (4) Except as provided in Subsections (1) [~~and~~], (2), and (3), upon withdrawal, the
2383 withdrawing area is relieved of all other taxes, assessments, and charges levied by the district,
2384 including taxes and charges for the payment of revenue bonds and maintenance and operation
2385 cost of the special district.

2386 Section 34. Section **17B-1-1001** is amended to read:

2387 **17B-1-1001. Provisions applicable to property tax levy.**

2388 (1) Each special district that levies and collects property taxes shall levy and collect
2389 them according to the provisions of Title 59, Chapter 2, Property Tax Act.

2390 (2) As used in this section:

2391 (a) "Appointed board of trustees" means a board of trustees of a special district that
2392 includes a member who is appointed to the board of trustees in accordance with Section
2393 17B-1-304, Subsection 17B-1-303(5), Subsection 17B-1-306(5)(h), or any of the applicable
2394 provisions in Title 17B, Chapter 2a, Provisions Applicable to Different Types of Special
2395 Districts.

2396 (b) "Elected board of trustees" means a board of trustees of a special district that
2397 consists entirely of members who are elected to the board of trustees in accordance with
2398 Subsection (4), Section 17B-1-306, or any of the applicable provisions in Title 17B, Chapter
2399 2a, Provisions Applicable to Different Types of Special Districts.

2400 (3) (a) For a taxable year beginning on or after January 1, 2018, a special district may
2401 not levy or collect property tax revenue that exceeds the certified tax rate unless:

2402 (i) to the extent that the revenue from the property tax was pledged before January 1,
2403 2018, the special district pledges the property tax revenue to pay for bonds or other obligations
2404 of the special district; or

2405 (ii) the proposed tax or increase in the property tax rate has been approved by:

2406 (A) an elected board of trustees;

2407 (B) subject to Subsection (3)(b), an appointed board of trustees;

2408 (C) a majority of the registered voters within the special district who vote in an election
2409 held for that purpose on a date specified in Section 20A-1-204;

2410 (D) the legislative body of the appointing authority; or

2411 (E) the legislative body of:

2412 (I) a majority of the municipalities partially or completely included within the
2413 boundary of the specified special district; or

2414 (II) the county in which the specified special district is located, if the county has some
2415 or all of its unincorporated area included within the boundary of the specified special district.

2416 (b) For a special district with an appointed board of trustees, each appointed member of
2417 the board of trustees shall comply with the trustee reporting requirements described in Section
2418 17B-1-1003 before the special district may impose a property tax levy that exceeds the certified

2419 tax rate.

2420 (4) (a) Notwithstanding provisions to the contrary in Title 17B, Chapter 2a, Provisions
2421 Applicable to Different Types of Special Districts, and subject to Subsection (4)(b), members
2422 of the board of trustees of a special district shall be elected, if:

2423 (i) two-thirds of all members of the board of trustees of the special district vote in favor
2424 of changing to an elected board of trustees; and

2425 (ii) the legislative body of each municipality or county that appoints a member to the
2426 board of trustees adopts a resolution approving the change to an elected board of trustees.

2427 (b) A change to an elected board of trustees under Subsection (4)(a) may not shorten
2428 the term of any member of the board of trustees serving at the time of the change.

2429 (5) Subsections (2), (3), and (4) do not apply to:

2430 (a) Title 17B, Chapter 2a, Part 6, Metropolitan Water District Act;

2431 (b) Title 17B, Chapter 2a, Part 10, Water Conservancy District Act; or

2432 (c) a special district in which:

2433 (i) the board of trustees consists solely of:

2434 (A) land owners or the land owners' agents; or

2435 (B) as described in Subsection [~~17B-1-302(3)~~] 17B-1-302(3), (5), (6), or (7), land
2436 owners or the land owners' agents or officers; and

2437 (ii) there are no residents within the special district at the time a property tax is levied.

2438 (6) An infrastructure financing district may not pledge or otherwise use any property
2439 tax revenue for the payment of bonds.

2440 Section 35. Section **17B-1-1002** is amended to read:

2441 **17B-1-1002. Limit on special district property tax levy -- Exclusions.**

2442 (1) The rate at which a special district levies a property tax for district operation and
2443 maintenance expenses on the taxable value of taxable property within the district may not
2444 exceed:

2445 (a) .0008, for a basic special district;

2446 (b) .0004, for a cemetery maintenance district;

2447 (c) .0004, for a drainage district;

2448 (d) .0008, for a fire protection district;

2449 (e) .0008, for an improvement district;

- 2450 (f) .0005, for a metropolitan water district;
- 2451 (g) .0004, for a mosquito abatement district;
- 2452 (h) .0004, for a public transit district;
- 2453 (i) (i) .0023, for a service area that:
- 2454 (A) is located in a county of the first or second class; and
- 2455 (B) (I) provides fire protection, paramedic, and emergency services; or
- 2456 (II) subject to Subsection (3), provides law enforcement services; or
- 2457 (ii) .0014, for each other service area;
- 2458 (j) the rates provided in Section 17B-2a-1006, for a water conservancy district; ~~[or]~~
- 2459 (k) .0008 for a municipal services district~~[-];~~ or
- 2460 (l) .0004 for an infrastructure financing district.
- 2461 (2) Property taxes levied by a special district are excluded from the limit applicable to
- 2462 that district under Subsection (1) if the taxes are:
- 2463 (a) levied under Section 17B-1-1103 by a special district, other than a water
- 2464 conservancy district, to pay principal of and interest on general obligation bonds issued by the
- 2465 district;
- 2466 (b) levied to pay debt and interest owed to the United States; or
- 2467 (c) levied to pay assessments or other amounts due to a water users association or other
- 2468 public cooperative or private entity from which the district procures water.
- 2469 (3) A service area described in Subsection (1)(i)(i)(B)(II) may not collect a tax
- 2470 described in Subsection (1)(i)(i) if a municipality or a county having a right to appoint a
- 2471 member to the board of trustees of the service area under Subsection 17B-2a-905(2) assesses
- 2472 on or after November 30 in the year in which the tax is first collected and each subsequent year
- 2473 that the tax is collected:
- 2474 (a) a generally assessed fee imposed under Section 17B-1-643 for law enforcement
- 2475 services; or
- 2476 (b) any other generally assessed fee for law enforcement services.
- 2477 Section 36. Section **17B-1-1302** is amended to read:
- 2478 **17B-1-1302. Special district dissolution.**
- 2479 (1) A special district may be dissolved as provided in this part.
- 2480 (2) No later than 180 days after the payment of all debt of an infrastructure financing

2481 district, the board of trustees of the infrastructure financing district shall adopt a resolution to
2482 dissolve the infrastructure financing district.

2483 Section 37. Section **17B-1-1303** is amended to read:

2484 **17B-1-1303. Initiation of dissolution process.**

2485 The process to dissolve a special district may be initiated by:

2486 (1) for an inactive special district:

2487 (a) (i) for a special district whose board of trustees is elected by electors based on the
2488 acre-feet of water allotted to the land owned by the elector, a petition signed by the owners of
2489 25% of the acre-feet of water allotted to the land within the special district; or

2490 (ii) for all other districts:

2491 (A) a petition signed by the owners of private real property that:

2492 (I) is located within the special district proposed to be dissolved;

2493 (II) covers at least 25% of the private land area within the special district; and

2494 (III) is equal in assessed value to at least 25% of the assessed value of all private real
2495 property within the special district; or

2496 (B) a petition signed by registered voters residing within the special district proposed
2497 to be dissolved equal in number to at least 25% of the number of votes cast in the district for
2498 the office of governor at the last regular general election before the filing of the petition; or

2499 (b) a resolution adopted by the administrative body; [~~and~~]

2500 (2) for an active special district, a petition signed by:

2501 (a) for a special district whose board of trustees is elected by electors based on the
2502 acre-feet of water allotted to the land owned by the elector, the owners of 33% of the acre-feet
2503 of water allotted to the land within the special district;

2504 (b) for a special district created to acquire or assess a groundwater right for the
2505 development and execution of a groundwater management plan in coordination with the state
2506 engineer in accordance with Section 73-5-15, the owners of groundwater rights that:

2507 (i) are diverted within the district; and

2508 (ii) cover at least 33% of the total amount of groundwater diverted in accordance with
2509 the groundwater rights within the district as a whole; or

2510 (c) for all other districts:

2511 (i) the owners of private real property that:

2512 (A) is located within the special district proposed to be dissolved;

2513 (B) covers at least 33% of the private land area within the special district; and

2514 (C) is equal in assessed value to at least 25% of the assessed value of all private real

2515 property within the special district; or

2516 (ii) 33% of registered voters residing within the special district proposed to be

2517 dissolved[;]; or

2518 (3) for an infrastructure financing district, a resolution adopted by the board of trustees.

2519 Section 38. Section **17B-1-1310** is amended to read:

2520 **17B-1-1310. Notice to lieutenant governor -- Recording requirements --**

2521 **Distribution of remaining assets.**

2522 (1) (a) [The] Within the time specified in Subsection (1)(b), an administrative body[;]

2523 shall file with the lieutenant governor a copy of a notice of an impending boundary action, as

2524 defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3)[;].

2525 [~~(a)~~ (b) The administrative body shall file a notice of an impending boundary action

2526 under Subsection (1)(a) within 30 days after the day on which, as applicable:

2527 (i) the administrative body adopts a resolution approving the dissolution of an inactive

2528 special district; [~~or~~]

2529 [~~(b)~~ (ii) [within 30 days after the day on which] a majority of the voters within an

2530 active special district approve the dissolution of the special district in an election described in

2531 Subsection 17B-1-1309(2)[;]; or

2532 (iii) for an infrastructure financing district, the administrative body adopts a resolution

2533 to dissolve the infrastructure financing district.

2534 (2) Upon the lieutenant governor's issuance of a certificate of dissolution under Section

2535 67-1a-6.5, the administrative body shall:

2536 (a) if the special district was located within the boundary of a single county, submit to

2537 the recorder of that county:

2538 (i) the original:

2539 (A) notice of an impending boundary action; and

2540 (B) certificate of dissolution; and

2541 (ii) a certified copy of the resolution that the administrative body adopts under

2542 Subsection 17B-1-1308(1); or

2543 (b) if the special district was located within the boundaries of more than a single
2544 county:

2545 (i) submit to the recorder of one of those counties:

2546 (A) the original notice of an impending boundary action and certificate of dissolution;
2547 and

2548 (B) if applicable, a certified copy of the resolution that the administrative body adopts
2549 under Subsection 17B-1-1308(1); and

2550 (ii) submit to the recorder of each other county:

2551 (A) a certified copy of the notice of an impending boundary action and certificate of
2552 dissolution; and

2553 (B) if applicable, a certified copy of the resolution that the administrative body adopts
2554 under Subsection 17B-1-1308(1).

2555 (3) Upon the lieutenant governor's issuance of the certificate of dissolution under
2556 Section 67-1a-6.5, the special district is dissolved.

2557 (4) (a) After the dissolution of a special district under this part, the administrative body
2558 shall use any assets of the special district remaining after paying all debts and other obligations
2559 of the special district to pay costs associated with the dissolution process.

2560 (b) If the administrative body is not the board of trustees of the dissolved special
2561 district, the administrative body shall pay any costs of the dissolution process remaining after
2562 exhausting the remaining assets of the special district as described in Subsection (4)(a).

2563 (c) If the administrative body is the board of trustees of the dissolved special district,
2564 each entity that has committed to provide a service that the dissolved special district previously
2565 provided, as described in Subsection 17B-1-1308(2)(b), shall pay, in the same proportion that
2566 the services the entity commits to provide bear to all of the services the special district
2567 provided, any costs of the dissolution process remaining after exhausting the remaining assets
2568 of the dissolved special district described in Subsection (4)(a).

2569 (5) (a) The administrative body shall distribute any assets of the special district that
2570 remain after the payment of debts, obligations, and costs under Subsection (4) in the following
2571 order of priority:

2572 (i) if there is a readily identifiable connection between the remaining assets and a
2573 financial burden borne by the real property owners in the dissolved special district,

2574 proportionately to those real property owners;

2575 (ii) if there is a readily identifiable connection between the remaining assets and a
2576 financial burden borne by the recipients of a service that the dissolved special district provided,
2577 proportionately to those recipients; and

2578 (iii) subject to Subsection (6), to each entity that has committed to provide a service
2579 that the dissolved special district previously provided, as described in Subsection
2580 17B-1-1309(1)(b)(ii), in the same proportion that the services the entity commits to provide
2581 bear to all of the services the special district provided.

2582 (6) An entity that receives cash reserves of the dissolved special district under
2583 Subsection (5)(a)(iii) may not use the cash reserves:

2584 (a) in any way other than for the purpose the special district originally intended; or

2585 (b) in any area other than within the area that the dissolved special district previously
2586 served.

2587 Section 39. Section **17B-1-1402** is amended to read:

2588 **17B-1-1402. Board of trustees of a basic special district.**

2589 (1) As specified in a petition under Subsection 17B-1-203(1)(a) or (b) or a resolution
2590 under Subsection [~~17B-1-203(1)(d) or (e)~~] 17B-1-203(1)(e) or (f), and except as provided in
2591 Subsection (2), the members of a board of trustees of a basic special district may be:

2592 (a) (i) elected by registered voters; or

2593 (ii) appointed by the responsible body, as defined in Section 17B-1-201; or

2594 (b) if the area of the special district contains less than one residential dwelling unit per
2595 50 acres of land at the time the resolution is adopted or the petition is filed, elected by the
2596 owners of real property within the special district based on:

2597 (i) the amount of acreage owned by property owners;

2598 (ii) the assessed value of property owned by property owners; or

2599 (iii) water rights:

2600 (A) relating to the real property within the special district;

2601 (B) that the real property owner:

2602 (I) owns; or

2603 (II) has transferred to the special district.

2604 (2) As specified in a groundwater right owner petition under Subsection

2605 17B-1-203(1)(c) or a resolution under Subsection [~~17B-1-203(1)(d) or (e)~~] 17B-1-203(1)(e) or
2606 (f), the members of a board of trustees of a basic special district created to manage groundwater
2607 rights the district acquires or assesses under Section 17B-1-202 shall be:

2608 (a) subject to Section 17B-1-104.5, elected by the owners of groundwater rights that
2609 are diverted within the special district;

2610 (b) appointed by the responsible body, as defined in Section 17B-1-201; or

2611 (c) elected or appointed as provided in Subsection (3).

2612 (3) A petition under Subsection 17B-1-203(1)(a) or (b) and a resolution under
2613 Subsection [~~17B-1-203(1)(d) or (e)~~] 17B-1-203(1)(e) or (f) may provide for a transition from
2614 one or more methods of election or appointment under Subsection (1) or (2) to one or more
2615 other methods of election or appointment based upon milestones or events that the petition or
2616 resolution identifies.

2617 Section 40. Section **17B-2a-404** is amended to read:

2618 **17B-2a-404. Improvement district board of trustees.**

2619 (1) As used in this section:

2620 (a) "County district" means an improvement district that does not include within its
2621 boundaries any territory of a municipality.

2622 (b) "County member" means a member of a board of trustees of a county district.

2623 (c) "Electric district" means an improvement district that was created for the purpose of
2624 providing electric service.

2625 (d) "Included municipality" means a municipality whose boundaries are entirely
2626 contained within but do not coincide with the boundaries of an improvement district.

2627 (e) "Municipal district" means an improvement district whose boundaries coincide
2628 with the boundaries of a single municipality.

2629 (f) "Regular district" means an improvement district that is not a county district,
2630 electric district, or municipal district.

2631 (g) "Remaining area" means the area of a regular district that:

2632 (i) is outside the boundaries of an included municipality; and

2633 (ii) includes the area of an included municipality whose legislative body elects, under
2634 Subsection (5)(a)(ii), not to appoint a member to the board of trustees of the regular district.

2635 (h) "Remaining area member" means a member of a board of trustees of a regular

2636 district who is appointed, or, if applicable, elected to represent the remaining area of the
2637 district.

2638 (2) The legislative body of the municipality included within a municipal district may:

2639 (a) elect, at the time of the creation of the district, to be the board of trustees of the
2640 district; and

2641 (b) adopt at any time a resolution providing for:

2642 (i) the election of board of trustees members, as provided in Section 17B-1-306; or

2643 (ii) the appointment of board of trustees members, as provided in Section 17B-1-304.

2644 (3) (a) The legislative body of a county whose unincorporated area is partly or
2645 completely within a county district may:

2646 (i) elect, at the time of the creation of the district, to be the board of trustees of the
2647 district, even though a member of the legislative body of the county may not meet the
2648 requirements of Subsection 17B-1-302(1);

2649 (ii) adopt at any time a resolution providing for:

2650 (A) the election of board of trustees members, as provided in Section 17B-1-306; or

2651 (B) except as provided in Subsection (4), the appointment of board of trustees
2652 members, as provided in Section 17B-1-304; and

2653 (iii) if the conditions of Subsection (3)(b) are met, appoint a member of the legislative
2654 body of the county to the board of trustees, except that the legislative body of the county may
2655 not appoint more than three members of the legislative body of the county to the board of
2656 trustees.

2657 (b) A legislative body of a county whose unincorporated area is partly or completely
2658 within a county district may take an action under Subsection (3)(a)(iii) if:

2659 (i) more than 35% of the residences within a county district that receive service from
2660 the district are seasonally occupied homes, as defined in Subsection 17B-1-302(2)(a)(ii);

2661 (ii) the board of trustees are appointed by the legislative body of the county; and

2662 (iii) there are at least two appointed board members who meet the requirements of
2663 Subsections 17B-1-302(1), (2), ~~and~~ (3), (5), (6), and (7), except that a member of the

2664 legislative body of the county need not satisfy the requirements of Subsections 17B-1-302(1),
2665 (2), and (3).

2666 (4) Subject to Subsection (6)(d), the legislative body of a county may not adopt a

2667 resolution providing for the appointment of board of trustees members as provided in
2668 Subsection (3)(a)(ii)(B) at any time after the county district is governed by an elected board of
2669 trustees unless:

2670 (a) the elected board has ceased to function;

2671 (b) the terms of all of the elected board members have expired without the board
2672 having called an election; or

2673 (c) the elected board of trustees unanimously adopts a resolution approving the change
2674 from an elected to an appointed board.

2675 (5) (a) (i) Except as provided in Subsection (5)(a)(ii), the legislative body of each
2676 included municipality shall each appoint one member to the board of trustees of a regular
2677 district.

2678 (ii) The legislative body of an included municipality may elect not to appoint a member
2679 to the board under Subsection (5)(a)(i).

2680 (b) Except as provided in Subsection (6), the legislative body of each county whose
2681 boundaries include a remaining area shall appoint all other members to the board of trustees of
2682 a regular district.

2683 (6) Notwithstanding Subsection (3), each remaining area member of a regular district
2684 and each county member of a county district shall be elected, as provided in Section
2685 17B-1-306, if:

2686 (a) the petition or resolution initiating the creation of the district provides for remaining
2687 area or county members to be elected;

2688 (b) the district holds an election to approve the district's issuance of bonds;

2689 (c) for a regular district, an included municipality elects, under Subsection (5)(a)(ii),
2690 not to appoint a member to the board of trustees; or

2691 (d) (i) at least 90 days before the municipal general election or regular general election,
2692 as applicable, a petition is filed with the district's board of trustees requesting remaining area
2693 members or county members, as the case may be, to be elected; and

2694 (ii) the petition is signed by registered voters within the remaining area or county
2695 district, as the case may be, equal in number to at least 10% of the number of registered voters
2696 within the remaining area or county district, respectively, who voted in the last gubernatorial
2697 election.

2698 (7) Subject to Section 17B-1-302, the number of members of a board of trustees of a
2699 regular district shall be:

2700 (a) the number of included municipalities within the district, if:

2701 (i) the number of included municipalities is greater than nine or is an odd number that
2702 is not greater than nine; and

2703 (ii) the district does not include a remaining area;

2704 (b) the number of included municipalities plus one, if the number of included
2705 municipalities within the district is an even number that is less than nine; and

2706 (c) the number of included municipalities plus two, if:

2707 (i) the number of included municipalities is an odd number that is less than nine; and

2708 (ii) the district includes a remaining area.

2709 (8) (a) Except as provided in Subsection (8)(b), each remaining area member of the
2710 board of trustees of a regular district shall reside within the remaining area.

2711 (b) Notwithstanding Subsection (8)(a) and subject to Subsection (8)(c), each remaining
2712 area member shall be chosen from the district at large if:

2713 (i) the population of the remaining area is less than 5% of the total district population;
2714 or

2715 (ii) (A) the population of the remaining area is less than 50% of the total district
2716 population; and

2717 (B) the majority of the members of the board of trustees are remaining area members.

2718 (c) Application of Subsection (8)(b) may not prematurely shorten the term of any
2719 remaining area member serving the remaining area member's elected or appointed term on May
2720 11, 2010.

2721 (9) If the election of remaining area or county members of the board of trustees is
2722 required because of a bond election, as provided in Subsection (6)(b):

2723 (a) a person may file a declaration of candidacy if:

2724 (i) the person resides within:

2725 (A) the remaining area, for a regular district; or

2726 (B) the county district, for a county district; and

2727 (ii) otherwise qualifies as a candidate;

2728 (b) the board of trustees shall, if required, provide a ballot separate from the bond

2729 election ballot, containing the names of candidates and blanks in which a voter may write
2730 additional names; and

2731 (c) the election shall otherwise be governed by Title 20A, Election Code.

2732 (10) (a) (i) This Subsection (10) applies to the board of trustees members of an electric
2733 district.

2734 (ii) Subsections (2) through (9) do not apply to an electric district.

2735 (b) The legislative body of the county in which an electric district is located may
2736 appoint the initial board of trustees of the electric district as provided in Section 17B-1-304.

2737 (c) After the initial board of trustees is appointed as provided in Subsection (10)(b),
2738 each member of the board of trustees of an electric district shall be elected by persons using
2739 electricity from and within the district.

2740 (d) Each member of the board of trustees of an electric district shall be a user of
2741 electricity from the district and, if applicable, the division of the district from which elected.

2742 (e) The board of trustees of an electric district may be elected from geographic
2743 divisions within the district.

2744 (f) A municipality within an electric district is not entitled to automatic representation
2745 on the board of trustees.

2746 Section 41. Section **17B-2a-405** is amended to read:

2747 **17B-2a-405. Board of trustees of certain sewer improvement districts.**

2748 (1) As used in this section:

2749 (a) "Jurisdictional boundaries" means:

2750 (i) for a qualified county, the boundaries that include:

2751 (A) the area of the unincorporated part of the county that is included within a sewer
2752 improvement district; and

2753 (B) the area of each nonappointing municipality that is included within the sewer
2754 improvement district; and

2755 (ii) for a qualified municipality, the boundaries that include the area of the municipality
2756 that is included within a sewer improvement district.

2757 (b) "Nonappointing municipality" means a municipality that:

2758 (i) is partly included within a sewer improvement district; and

2759 (ii) is not a qualified municipality.

- 2760 (c) "Qualified county" means a county:
- 2761 (i) some or all of whose unincorporated area is included within a sewer improvement
- 2762 district; or
- 2763 (ii) which includes within its boundaries a nonappointing municipality.
- 2764 (d) "Qualified county member" means a member of a board of trustees of a sewer
- 2765 improvement district appointed under Subsection (3)(a)(ii).
- 2766 (e) "Qualified municipality" means a municipality that is partly or entirely included
- 2767 within a sewer improvement district that includes:
- 2768 (i) all of the municipality that is capable of receiving sewage treatment service from the
- 2769 sewer improvement district; and
- 2770 (ii) more than half of:
- 2771 (A) the municipality's land area; or
- 2772 (B) the assessed value of all private real property within the municipality.
- 2773 (f) "Qualified municipality member" means a member of a board of trustees of a sewer
- 2774 improvement district appointed under Subsection (3)(a)(i).
- 2775 (g) "Sewer improvement district" means an improvement district that:
- 2776 (i) provides sewage collection, treatment, and disposal service; and
- 2777 (ii) made an election before 1954 under Laws of Utah 1953, Chapter 29, to enable it to
- 2778 continue to appoint its board of trustees members as provided in this section.
- 2779 (2) (a) Notwithstanding Section 17B-2a-404, the board of trustees members of a sewer
- 2780 improvement district shall be appointed as provided in this section.
- 2781 (b) The board of trustees of a sewer improvement district may revoke the election
- 2782 under Subsection (1)(d) and become subject to the provisions of Section 17B-2a-404 only by
- 2783 the unanimous vote of all members of the sewer improvement district's board of trustees at a
- 2784 time when there is no vacancy on the board.
- 2785 (3) (a) The board of trustees of each sewer improvement district shall consist of:
- 2786 (i) at least one person but not more than three persons appointed by the mayor of each
- 2787 qualified municipality, with the consent of the legislative body of that municipality; and
- 2788 (ii) at least one person but not more than three persons appointed by:
- 2789 (A) the county executive, with the consent of the county legislative body, for a
- 2790 qualified county operating under a county executive-council form of county government; or

2791 (B) the county legislative body, for each other qualified county.

2792 (b) Each qualified county member appointed under Subsection (3)(a)(ii) shall represent
2793 the area within the jurisdictional boundaries of the qualified county.

2794 (4) Notwithstanding Subsection [~~17B-1-302(4)~~] 17B-1-302(8), the number of board of
2795 trustees members of a sewer improvement district shall be the number that results from
2796 application of Subsection (3)(a).

2797 (5) Except as provided in this section, an appointment to the board of trustees of a
2798 sewer improvement district is governed by Section 17B-1-304.

2799 (6) A quorum of a board of trustees of a sewer improvement district consists of
2800 members representing more than 50% of the total number of qualified county and qualified
2801 municipality votes under Subsection (7).

2802 (7) (a) Subject to Subsection (7)(b), each qualified county and each qualified
2803 municipality is entitled to one vote on the board of trustees of a sewer improvement district for
2804 each \$10,000,000, or fractional part larger than 1/2 of that amount, of assessed valuation of
2805 private real property taxable for district purposes within the respective jurisdictional
2806 boundaries, as shown by the assessment records of the county and evidenced by a certificate of
2807 the county auditor.

2808 (b) Notwithstanding Subsection (7)(a), each qualified county and each qualified
2809 municipality shall have at least one vote.

2810 (8) If a qualified county or qualified municipality appoints more than one board
2811 member, all the votes to which the qualified county or qualified municipality is entitled under
2812 Subsection (7) for an item of board business shall collectively be cast by a majority of the
2813 qualified county members or qualified municipal members, respectively, present at a meeting
2814 of the board of trustees.

2815 Section 42. Section **17B-2a-407** is amended to read:

2816 **17B-2a-407. Nonfunctioning improvement district -- Replacing board of trustees.**

2817 (1) As used in this section:

2818 (a) "Applicable certificate" means the same as that term is defined in Subsection
2819 67-1a-6.5(1)(a).

2820 (b) (i) "Non-functioning improvement district" means an improvement district:

2821 (A) for which the lieutenant governor issues an applicable certificate on or after July 1,

2822 2022, but before October 15, 2023;

2823 (B) for which the legislative body of a county elected to be the board of trustees of the
2824 district under Subsection 17B-2a-404(3)(a); and

2825 (C) (I) for which the responsible body has not, within 100 days after the day on which
2826 the lieutenant governor issued the applicable certificate, complied with the recording
2827 requirements described in Subsection 17B-1-215(2); or

2828 (II) whose board of trustees has not, within 100 days after the day on which the
2829 lieutenant governor issued the applicable certificate, held a meeting as the board of trustees of
2830 the improvement district, that was noticed and held in accordance with the requirements of
2831 Title 52, Chapter 4, Open and Public Meetings Act.

2832 (ii) "Non-functioning improvement district" does not include an improvement district
2833 that has emerged from non-functioning status under Subsection (6)(c)(ii).

2834 (2) (a) The board of trustees of a non-functioning improvement district may not, after
2835 the 100-day period described in Subsection (1)(b)(i)(C)(I), take any action as the board of
2836 trustees or on behalf of the non-functioning improvement district.

2837 (b) Any action taken in violation of Subsection (2)(a) is void.

2838 (3) (a) An owner of land located within the boundaries of a non-functioning
2839 improvement district may file with the lieutenant governor a request to replace the board of
2840 trustees with a new board of trustees.

2841 (b) A new board of trustees described in Subsection (3)(a) shall comprise three
2842 individuals who are:

2843 (i) owners of land located within the boundaries of the improvement district; or

2844 (ii) agents of owners of land located within the boundaries of the improvement district.

2845 (4) A request described in Subsection (3) shall include:

2846 (a) the name and mailing address of the land owner who files the request;

2847 (b) the name of the improvement district;

2848 (c) a copy of the applicable certificate for the improvement district;

2849 (d) written consent to the request from each owner of land located within the
2850 boundaries of the improvement district; and

2851 (e) the names and mailing addresses of three individuals who will serve as the board of
2852 trustees of the improvement district until a new board of trustees is organized under Subsection

- 2853 (9).
- 2854 (5) Within 14 days after the day on which the lieutenant governor receives a request
2855 described in Subsections (3) and (4), the lieutenant governor shall:
- 2856 (a) determine whether:
- 2857 (i) the district is a non-functioning improvement district;
- 2858 (ii) the request complies with Subsection (4); and
- 2859 (b) if the lieutenant governor determines that the requirements described in Subsection
2860 (5)(a) are met, grant the request by issuing a certificate of replacement described in Subsection
2861 (6).
- 2862 (6) A certificate of replacement shall:
- 2863 (a) state the name of the improvement district;
- 2864 (b) reference the applicable certificate for the improvement district;
- 2865 (c) declare that, upon issuance of the certificate:
- 2866 (i) the existing board of trustees for the improvement district is dissolved and replaced
2867 by an interim board of trustees consisting of the three individuals described in Subsection
2868 (4)(e); and
- 2869 (ii) the improvement district is removed from nonfunctioning status and is, beginning
2870 at that point in time, a functioning improvement district.
- 2871 (7) The interim board of trustees described in Subsection (6)(c)(i) shall record, in the
2872 recorder's office for a county in which all or a portion of the improvement district exists:
- 2873 (a) the original of the certificate of replacement; and
- 2874 (b) the original or a copy of:
- 2875 (i) the items described in Subsections 17B-1-215(2)(a)(i)(A), (B), and (C); and
- 2876 (ii) if applicable, a copy of each resolution adopted under Subsection 17B-1-213(5).
- 2877 (8) Until a new board of trustees is organized under Subsection (9):
- 2878 (a) the interim board of trustees has the full authority of a board of trustees of an
2879 improvement district; and
- 2880 (b) a majority of the owners of land in the improvement district:
- 2881 (i) may appoint an individual described in Subsection (3)(b) to fill a vacancy on the
2882 interim board of trustees; and
- 2883 (ii) shall file written notification of the appointment of an individual described in

2884 Subsection (8)(b)(i) with the lieutenant governor.

2885 (9) Within 90 days after the day on which at least 20 persons own land within the
2886 improvement district, the interim board of trustees described in Subsection (6)(c)(i) shall
2887 dissolve and be replaced by a board of trustees described in Subsections 17B-1-302(1) through
2888 [~~(3)(a)~~] (3), except that:

2889 (a) the board of trustees shall comprise three members, appointed by the lieutenant
2890 governor, who are owners of property in the district, agents of an owner of property in the
2891 district, or residents of the district;

2892 (b) Subsections [~~17B-1-302(3)(c) through (6)~~] 17B-1-302(6) through (10) and Section
2893 17B-2a-404 do not apply to the improvement district; and

2894 (c) a member of the legislative body of the county may not serve as a member of the
2895 board of trustees.

2896 Section 43. Section **17B-2a-604** is amended to read:

2897 **17B-2a-604. Metropolitan water district board of trustees.**

2898 (1) Members of the board of trustees of a metropolitan water district shall be:

2899 (a) elected in accordance with:

2900 (i) the petition or resolution that initiated the process of creating the metropolitan water
2901 district; and

2902 (ii) Section 17B-1-306;

2903 (b) appointed in accordance with Subsection (2); or

2904 (c) elected under Subsection (3)(a).

2905 (2) (a) This Subsection (2) shall apply to an appointed board of trustees of a
2906 metropolitan water district.

2907 (b) If a district contains the area of a single municipality:

2908 (i) the legislative body of that municipality shall appoint each member of the board of
2909 trustees; and

2910 (ii) one member shall be the officer with responsibility over the municipality's water
2911 supply and distribution system, if the system is municipally owned.

2912 (c) If a district contains some or all of the retail water service area of more than one
2913 municipality:

2914 (i) the legislative body of each municipality shall appoint the number of members for

2915 that municipality as determined under Subsection (2)(c)(ii);

2916 (ii) subject to Subsection (2)(c)(iii), the number of members appointed by each

2917 municipality shall be determined:

2918 (A) by agreement between the metropolitan water district and the municipalities,

2919 subject to Subsection [~~17B-1-302(4)~~] 17B-1-302(8); or

2920 (B) as provided in Chapter 1, Part 3, Board of Trustees; and

2921 (iii) at least one member shall be appointed by each municipality.

2922 (d) Each trustee shall be appointed without regard to partisan political affiliations from

2923 among citizens of the highest integrity, attainment, competence, and standing in the

2924 community.

2925 (3) (a) Members of the board of trustees of a metropolitan water district shall be

2926 elected in accordance with Section 17B-1-306, if, subject to Subsection (3)(b):

2927 (i) three-fourths of all members of the board of trustees of the metropolitan water

2928 district vote in favor of changing to an elected board; and

2929 (ii) the legislative body of each municipality that appoints a member to the board of

2930 trustees adopts a resolution approving the change to an elected board.

2931 (b) A change to an elected board of trustees under Subsection (3)(a) may not shorten

2932 the term of any member of the board of trustees serving at the time of the change.

2933 (4) A member of the board of trustees of a metropolitan water district shall be:

2934 (a) a registered voter;

2935 (b) a property taxpayer; and

2936 (c) a resident of:

2937 (i) the metropolitan water district; and

2938 (ii) the retail water service area of the municipality that:

2939 (A) elects the member; or

2940 (B) the member is appointed to represent.

2941 (5) (a) Except as provided in Subsection (7), a member shall immediately forfeit the

2942 member's seat on the board of trustees if the member becomes elected or appointed to office in

2943 or becomes an employee of the municipality whose legislative body appointed the member

2944 under Subsection (2).

2945 (b) The position of the member described in Subsection (5)(a) is vacant until filled as

2946 provided in Section 17B-1-304.

2947 (6) Except as provided in Subsection (7), the term of office of each member of the
2948 board of trustees is as provided in Section 17B-1-303.

2949 (7) Subsections (4), (5)(a), and (6) do not apply to a member who is a member under
2950 Subsection (2)(b)(ii).

2951 Section 44. Section **17B-2a-704** is amended to read:

2952 **17B-2a-704. Mosquito abatement district board of trustees.**

2953 (1) (a) Notwithstanding Subsection [~~17B-1-302(4)~~] 17B-1-302(8):

2954 (i) the board of trustees of a mosquito abatement district consists of no less than five
2955 members appointed in accordance with this section; and

2956 (ii) subject to Subsection (1)(b), the legislative body of each municipality that is
2957 entirely or partly included within a mosquito abatement district shall appoint one member to
2958 the board of trustees.

2959 (b) If 75% or more of the area of a mosquito abatement district is within the boundaries
2960 of a single municipality:

2961 (i) the board of trustees consists of five members; and

2962 (ii) the legislative body of that municipality shall appoint all five members of the
2963 board.

2964 (2) Except as provided in Subsection (1), the legislative body of each county in which a
2965 mosquito abatement district is located shall appoint at least one member but no more than three
2966 members to the district's board of trustees as follows:

2967 (a) the county may appoint one member if:

2968 (i) (A) some or all of the county's unincorporated area is included within the
2969 boundaries of the mosquito abatement district; and

2970 (B) Subsection (2)(b) does not apply; or

2971 (ii) (A) the number of municipalities that are entirely or partly included within the
2972 district is an even number less than nine; and

2973 (B) Subsection (1)(b) does not apply; or

2974 (b) subject to Subsection (3), the county may appoint up to and including three
2975 members if:

2976 (i) more than 25% of the population of the mosquito abatement district resides outside

2977 the boundaries of all municipalities that may appoint members to the board of trustees; and

2978 (ii) a municipality appoints at least four members of the board of trustees.

2979 (3) A county may not appoint a member in accordance with Subsection (2)(b) who
2980 resides within a municipality that may appoint a member to the board of trustees.

2981 (4) If the number of board members appointed by application of Subsections (1) and
2982 (2)(a) is an even number less than nine, the legislative body of the county in which the district
2983 is located shall appoint an additional member.

2984 (5) Notwithstanding Subsection (2), and subject to Subsection (1)(b):

2985 (a) if the mosquito abatement district is located entirely within one county and, in
2986 accordance with this section, only one municipality may appoint a member of the board of
2987 trustees, the county legislative body shall appoint at least four members to the district's board
2988 of trustees; and

2989 (b) if the mosquito abatement district is located entirely within one county and no
2990 municipality may appoint a member of the board of trustees, the county legislative body shall
2991 appoint all of the members of the board.

2992 (6) Each board of trustees member is appointed in accordance with Section 17B-1-304.

2993 (7) The applicable appointing authority shall fill each vacancy on a mosquito
2994 abatement district board of trustees in accordance with Section 17B-1-304, or if the vacancy is
2995 a midterm vacancy, in accordance with Section 20A-1-512.

2996 Section 45. Section **17B-2a-905** is amended to read:

2997 **17B-2a-905. Service area board of trustees.**

2998 (1) (a) Except as provided in Subsection (2), (3), or (4):

2999 (i) the initial board of trustees of a service area located entirely within the
3000 unincorporated area of a single county may, as stated in the petition or resolution that initiated
3001 the process of creating the service area:

3002 (A) consist of the county legislative body;

3003 (B) be appointed, as provided in Section 17B-1-304; or

3004 (C) be elected, as provided in Section 17B-1-306;

3005 (ii) if the board of trustees of a service area consists of the county legislative body, the
3006 board may adopt a resolution providing for future board members to be appointed, as provided
3007 in Section 17B-1-304, or elected, as provided in Section 17B-1-306; and

3008 (iii) members of the board of trustees of a service area shall be elected, as provided in
3009 Section 17B-1-306, if:

3010 (A) the service area is not entirely within the unincorporated area of a single county;

3011 (B) a petition is filed with the board of trustees requesting that board members be
3012 elected, and the petition is signed by registered voters within the service area equal in number
3013 to at least 10% of the number of registered voters within the service area who voted at the last
3014 gubernatorial election; or

3015 (C) an election is held to authorize the service area's issuance of bonds.

3016 (b) If members of the board of trustees of a service area are required to be elected
3017 under Subsection (1)(a)(iii)(C) because of a bond election:

3018 (i) board members shall be elected in conjunction with the bond election;

3019 (ii) the board of trustees shall:

3020 (A) establish a process to enable potential candidates to file a declaration of candidacy
3021 sufficiently in advance of the election; and

3022 (B) provide a ballot for the election of board members separate from the bond ballot;
3023 and

3024 (iii) except as provided in this Subsection (1)(b), the election shall be held as provided
3025 in Section 17B-1-306.

3026 (2) (a) This Subsection (2) applies to a service area created on or after May 5, 2003, if:

3027 (i) the service area was created to provide:

3028 (A) fire protection, paramedic, and emergency services; or

3029 (B) law enforcement service;

3030 (ii) in the creation of the service area, an election was not required under Subsection
3031 17B-1-214(3)(d); and

3032 (iii) the service area is not a service area described in Subsection (3).

3033 (b) (i) Each county with unincorporated area that is included within a service area
3034 described in Subsection (2)(a), whether in conjunction with the creation of the service area or
3035 by later annexation, shall appoint up to three members to the board of trustees.

3036 (ii) Each municipality with an area that is included within a service area described in
3037 Subsection (2)(a), whether in conjunction with the creation of the service area or by later
3038 service area annexation or municipal incorporation or annexation, shall appoint one member to

3039 the board of trustees, unless the area of the municipality is withdrawn from the service area.

3040 (iii) Each member that a county or municipality appoints under Subsection (2)(b)(i) or

3041 (ii) shall be an elected official of the appointing county or municipality, respectively.

3042 (c) Notwithstanding Subsection [~~17B-1-302(4)~~] 17B-1-302(8), the number of members

3043 of a board of trustees of a service area described in Subsection (2)(a) shall be the number

3044 resulting from application of Subsection (2)(b).

3045 (3) (a) This Subsection (3) applies to a service area created on or after May 14, 2013,

3046 if:

3047 (i) the service area was created to provide fire protection, paramedic, and emergency

3048 services;

3049 (ii) in the creation of the service area, an election was not required under Subsection

3050 17B-1-214(3)(d); and

3051 (iii) each municipality with an area that is included within the service area or county

3052 with unincorporated area, whether in whole or in part, that is included within a service area is a

3053 party to an agreement:

3054 (A) entered into in accordance with Title 11, Chapter 13, Interlocal Cooperation Act,

3055 with all the other municipalities or counties with an area that is included in the service area;

3056 (B) to provide the services described in Subsection (3)(a)(i); and

3057 (C) at the time a resolution proposing the creation of the service area is adopted by

3058 each applicable municipal or county legislative body in accordance with Subsection

3059 [~~17B-1-203(1)(d)~~] 17B-1-203(1)(e).

3060 (b) (i) Each county with unincorporated area, whether in whole or in part, that is

3061 included within a service area described in Subsection (3)(a), whether in conjunction with the

3062 creation of the service area or by later annexation, shall appoint one member to the board of

3063 trustees.

3064 (ii) Each municipality with an area that is included within a service area described in

3065 Subsection (3)(a), whether in conjunction with the creation of the service area or by later

3066 annexation, shall appoint one member to the board of trustees.

3067 (iii) Each member that a county or municipality appoints under Subsection (3)(b)(i) or

3068 (ii) shall be an elected official of the appointing county or municipality, respectively.

3069 (iv) A vote by a member of the board of trustees may be weighted or proportional.

3070 (c) Notwithstanding Subsection [~~17B-1-302(4)~~] 17B-1-302(8), the number of members
3071 of a board of trustees of a service area described in Subsection (3)(a) is the number resulting
3072 from the application of Subsection (3)(b).

3073 (4) (a) This Subsection (4) applies to a service area if:

3074 (i) the service area provides a service to a municipality in accordance with an
3075 agreement between the service area and the municipality in accordance with Title 11, Chapter
3076 13, Interlocal Cooperation Act;

3077 (ii) the municipality is not included within the service area's boundary;

3078 (iii) the governing body of the municipality petitions the service area to request
3079 authority to appoint one member of the board of trustees of the service area; and

3080 (iv) the service area board of trustees approves the petition.

3081 (b) The governing body of a municipality described in Subsection (4)(a) may appoint a
3082 member of a service area board of trustees as follows:

3083 (i) the governing body shall make the appointment in accordance with:

3084 (A) Section 17B-1-304; or

3085 (B) to fill a mid-term vacancy, Subsection 20A-1-512(1);

3086 (ii) the governing body may not appoint an individual who is not a registered voter
3087 residing within the municipality;

3088 (iii) the district boundary requirement in Subsection 17B-1-302(1) does not apply to
3089 the governing body's appointee;

3090 (iv) the governing body and the service area board of trustees may not shorten the term
3091 of office of any member of the board due to the governing body's appointment;

3092 (v) notwithstanding Subsection [~~17B-1-302(4)~~] 17B-1-302(8), the number of members
3093 of the board of trustees of a service area described in Subsection (4)(a) may be odd or even;
3094 and

3095 (vi) if the number of members of a service area board of trustees is odd before the
3096 governing body's appointment, the member that the governing body appoints may replace a
3097 member whose term is expiring or who otherwise leaves a vacancy on the board or, if no
3098 expiring term or vacancy exists:

3099 (A) the number of board members may temporarily be even, including the member that
3100 the governing body appoints, until an expiring term or vacancy exists that restores the board

3101 membership to an odd number; and

3102 (B) no appointing authority may fill the expiring term or vacancy that restores the
3103 board membership to an odd number.

3104 (c) (i) The service area board of trustees may rescind the approval described in
3105 Subsection (4)(a) at any time.

3106 (ii) If the service area board of trustees rescinds the approval described in Subsection
3107 (4)(a) during the term of a board member that the governing body appointed, the appointee
3108 shall remain on the board for the remainder of the appointee's term.

3109 Section 46. Section **17B-2a-1301** is enacted to read:

3110 **Part 13. Infrastructure Financing District**

3111 **17B-2a-1301. Definitions.**

3112 As used in this part:

3113 (1) "Assessment bond" means the same as that term is defined in Section 11-42-102.

3114 (2) "Board" means the board of trustees of an infrastructure financing district.

3115 (3) "Designated expansion area" means an area that is:

3116 (a) outside and contiguous to the original district boundary; and

3117 (b) designated and described in a governing document as an area that may be subject to
3118 future annexation to the infrastructure financing district.

3119 (4) "Governing document" means a document described in Section 17B-2a-1303.

3120 (5) "Original district boundary" means the boundary of an infrastructure financing
3121 district as described in the approved final local entity plat, as defined in Section 67-1a-6.5.

3122 (6) "Residential district" means an infrastructure financing district that contains or is
3123 projected to contain owner-occupied residential units within the boundary of the infrastructure
3124 financing district.

3125 Section 47. Section **17B-2a-1302** is enacted to read:

3126 **17B-2a-1302. Provisions applicable to infrastructure financing district --**

3127 **Exceptions -- Conflicting provisions -- Contract for administrative services.**

3128 (1) (a) An infrastructure financing district is governed by and has the powers stated in:

3129 (i) this part; and

3130 (ii) Chapter 1, Provisions Applicable to All Special Districts, except as provided in
3131 Subsection (1)(b).

3132 (b) (i) (A) Notwithstanding Subsection 17B-1-103(2)(f), an infrastructure financing
3133 district may issue bonds only as provided in Title 11, Chapter 42, Assessment Area Act,
3134 subject to Subsection (1)(b)(i)(B), and Title 11, Chapter 42a, Commercial Property Assessed
3135 Clean Energy Act.

3136 (B) To the extent that the provisions of Title 11, Chapter 42, Assessment Area Act,
3137 apply to the use of funds from an assessment or an assessment bond for infrastructure operation
3138 and maintenance costs or for the cost of conducting economic promotion activities, those
3139 provisions do not apply to an infrastructure financing district.

3140 (C) Before a county or municipality's issuance of a certificate of occupancy to an
3141 owner-occupied residential unit that is subject to an assessment levied by an infrastructure
3142 financing district under Title 11, Chapter 42, Assessment Area Act, the infrastructure financing
3143 district shall ensure that the assessment allocable to that unit is paid in full and that any
3144 assessment lien on that unit is satisfied and released.

3145 (ii) Notwithstanding Subsection 17B-1-103(2)(h), an infrastructure financing district
3146 may not exercise the power of eminent domain.

3147 (2) This part applies only to an infrastructure financing district.

3148 (3) If there is a conflict between a provision in Chapter 1, Provisions Applicable to All
3149 Special Districts, and a provision in this part, the provision in this part governs.

3150 (4) An infrastructure financing district may contract with another governmental entity
3151 for the other governmental entity to provide administrative services to the infrastructure
3152 financing district.

3153 Section 48. Section **17B-2a-1303** is enacted to read:

3154 **17B-2a-1303. Governing document.**

3155 (1) The sponsors of a petition filed under Subsection 17B-1-203(1)(d) to create an
3156 infrastructure financing district may include with the petition a governing document.

3157 (2) A governing document may contain provisions for the governance of the
3158 infrastructure financing district, consistent with this part, including:

3159 (a) for a residential district:

3160 (i) a provision for a transition from an appointed board position, whether at large or for
3161 a division, to an elected board position, based upon milestones or events that the governing
3162 document identifies;

3163 (ii) milestones or events that will guide the board in considering modifications to
3164 division boundaries to ensure that each division has as nearly as possible the same number of
3165 registered voters;

3166 (b) a provision allowing a property owner within the infrastructure financing district to
3167 make recommendations, in proportion to the amount of the owner's property in relation to all
3168 property within the infrastructure financing district, for individuals to serve as appointed board
3169 members; and

3170 (c) any other provisions or information that petition sponsors or the board considers
3171 necessary or advisable for the governance of the infrastructure financing district.

3172 (3) A governing document shall:

3173 (a) include a description of infrastructure that the infrastructure financing district will
3174 provide funding for;

3175 (b) if applicable, include a copy of a development agreement that has been executed
3176 relating to infrastructure to be developed within the boundary of the infrastructure financing
3177 district and for which the infrastructure financing district anticipates providing funding; and

3178 (c) if applicable, describe a designated expansion area.

3179 (4) (a) An area may not be designated as a designated expansion area unless the area is
3180 contiguous to the original district boundary.

3181 (b) An area may not be annexed to an infrastructure financing district unless the area is
3182 within the designated expansion area that is described in a governing document that is included
3183 and submitted with the petition to create the infrastructure financing district.

3184 Section 49. Section **17B-2a-1304** is enacted to read:

3185 **17B-2a-1304. Board of trustees -- Conflict of interest -- Compensation.**

3186 (1) A board member with a personal investment described in Section 67-16-9 is not in
3187 violation of Section 67-16-9 if:

3188 (a) before beginning service as a board member, the board member complies with the
3189 disclosure requirements of Section 67-16-7, as though that section applied to the board
3190 member's ownership of a personal investment described in Section 67-16-9; and

3191 (b) during the board member's service, the board member complies with:

3192 (i) the disclosure requirements of Section 67-16-7, as provided in Subsection (1)(a),
3193 upon any significant change in the board member's personal investment; and

3194 (ii) applicable requirements of this part and the governing document.

3195 (2) An infrastructure financing district may not compensate a board member for the
3196 member's service on the board unless the board member is a resident within the boundary of
3197 the infrastructure financing district.

3198 Section 50. Section **17B-2a-1305** is enacted to read:

3199 **17B-2a-1305. Relationship with other local entities.**

3200 (1) The applicability of local land use regulations under Title 10, Chapter 9a,
3201 Municipal Land Use, Development, and Management Act, or Title 17, Chapter 27a, County
3202 Land Use, Development, and Management Act, is not affected by:

3203 (a) the creation or operation of an infrastructure financing district; or

3204 (b) the infrastructure financing district's provision of funding for the development of
3205 infrastructure within the infrastructure financing district boundary.

3206 (2) The boundary of an infrastructure financing district is not affected by:

3207 (a) a municipality's annexation of an unincorporated area of a county; or

3208 (b) the adjustment of a boundary shared by more than one municipality.

3209 (3) A debt, obligation, or other financial burden of an infrastructure financing district,
3210 including any liability of or claim or judgment against an infrastructure financing district:

3211 (a) is borne solely by the infrastructure financing district; and

3212 (b) is not the debt, obligation, or other financial burden of any other political
3213 subdivision of the state or of the state.

3214 (4) (a) Nothing in this part affects the requirement for infrastructure for which an
3215 infrastructure financing district provides funding to comply with all applicable standards and
3216 design, inspection, and other requirements of the county or municipality with jurisdiction over
3217 the infrastructure.

3218 (b) Upon the completion of infrastructure for which an infrastructure financing district
3219 has provided funding, the infrastructure shall be conveyed to the county or municipality with
3220 jurisdiction over the infrastructure, at no cost to the county or municipality.

3221 Section 51. Section **17B-2a-1306** is enacted to read:

3222 **17B-2a-1306. Contesting an infrastructure financing district action.**

3223 (1) As used in this section:

3224 (a) "Contestable action" means:

3225 (i) the creation of an infrastructure financing district or any part of the process to create
3226 an infrastructure financing district;

3227 (ii) a property tax levied by an infrastructure financing district or any part of the
3228 process to levy the tax; or

3229 (iii) a fee imposed by an infrastructure financing district or any part of the process to
3230 impose the fee.

3231 (b) "Effective date" means:

3232 (i) with respect to the creation of an infrastructure financing district, the date of the
3233 lieutenant governor's issuance of a certificate of creation under Section 67-1a-6.5;

3234 (ii) with respect to a property tax levied by an infrastructure financing district, the date
3235 of the board's adoption of a resolution levying the tax; and

3236 (iii) for a fee imposed by an infrastructure financing district, the date of the board's
3237 adoption of a resolution imposing the fee.

3238 (2) (a) A person may file a court action to contest the legality or validity of a
3239 contestable action.

3240 (b) A court action under Subsection (2)(a) is the exclusive remedy for a person to
3241 contest the legality or validity of a contestable action.

3242 (3) A person may not bring an action under Subsection (2) or serve a summons relating
3243 to the action more than 30 days after the effective date of the contestable action.

3244 (4) After the expiration of the 30-day period stated in Subsection (3):

3245 (a) a contestable action becomes incontestable against any person who has not brought
3246 an action and served a summons within the time specified in Subsection (3); and

3247 (b) a person may not bring an action to:

3248 (i) enjoin an infrastructure financing district from levying and collecting a property tax
3249 or imposing and collecting a fee that the infrastructure financing district levies or imposes; or

3250 (ii) attack or question in any way the legality or validity of a contestable action.

3251 (5) (a) This section does not affect a claim for a misuse of funds against the
3252 infrastructure financing district or an officer or employee of the infrastructure financing district.

3253 (b) A person may not seek relief for a claimed misuse of funds described in Subsection
3254 (5)(a) except for injunctive relief.

3255 (c) The limitation under Subsection (5)(b) does not affect the filing or prosecution of

3256 criminal charges for the misuse of infrastructure financing district funds.

3257 Section 52. Section **20A-1-512** is amended to read:

3258 **20A-1-512. Midterm vacancies on local district boards -- Notice.**

3259 (1) (a) When a vacancy occurs on any special district board for any reason, the
3260 following shall appoint a replacement to serve out the unexpired term in accordance with this
3261 section:

3262 (i) the special district board, if the person vacating the position was elected; or

3263 (ii) the appointing authority, as that term is defined in Section 17B-1-102, if the
3264 appointing authority appointed the person vacating the position.

3265 (b) Except as provided in Subsection (1)(c) or (d), before acting to fill the vacancy, the
3266 special district board or appointing authority shall:

3267 (i) give public notice of the vacancy for at least two weeks before the special district
3268 board or appointing authority meets to fill the vacancy by publishing the notice, as a class A
3269 notice under Section 63G-30-102, for the special district; and

3270 (ii) identify, in the notice:

3271 (A) the date, time, and place of the meeting where the vacancy will be filled;

3272 (B) the individual to whom an individual who is interested in an appointment to fill the
3273 vacancy may submit the individual's name for consideration; and

3274 (C) any submission deadline.

3275 (c) An appointing authority is not subject to Subsection (1)(b) if:

3276 (i) (A) the appointing authority appoints one of the appointing authority's own
3277 members; and

3278 [~~(ii)~~] (B) that member meets all applicable statutory board member qualifications~~[-:]; or~~

3279 (ii) the vacancy is on the board of trustees of an infrastructure financing district with no
3280 residents within the district's boundary.

3281 (d) When a vacancy occurs on the board of a water conservancy district located in
3282 more than one county:

3283 (i) the board shall give notice of the vacancy to the county legislative bodies that
3284 nominated the vacating trustee as provided in Section 17B-2a-1005;

3285 (ii) the county legislative bodies described in Subsection (1)(d)(i) shall collectively
3286 compile a list of three nominees to fill the vacancy; and

3287 (iii) the governor shall, with the advice and consent of the Senate, appoint an
3288 individual to fill the vacancy from nominees submitted as provided in Subsection
3289 17B-2a-1005(2)(c).

3290 (2) If, 90 days after a vacancy occurs, the special district board [~~fails~~] has failed to
3291 appoint an individual to complete an elected board member's term [~~within 90 days, the~~
3292 ~~legislative body of the county or municipality that created the special district shall fill~~], the
3293 vacancy shall be filled:

3294 (a) in accordance with the procedure for a special district described in Subsection
3295 (1)(b)~~[-]~~; and

3296 (b) by, as applicable:

3297 (i) the legislative body of the county or municipality that created the special district; or

3298 (ii) for a vacancy on a board of trustees of an infrastructure financing district, the
3299 legislative body of the county whose unincorporated area contains or the municipality whose
3300 boundary contains more of the area within the infrastructure financing district than is contained
3301 within the unincorporated area of any other county or within the boundary of any other
3302 municipality.

3303 Section 53. Section **52-4-207** is amended to read:

3304 **52-4-207. Electronic meetings -- Authorization -- Requirements.**

3305 (1) Except as otherwise provided for a charter school in Section 52-4-209, a public
3306 body may convene and conduct an electronic meeting in accordance with this section.

3307 (2) (a) A public body may not hold an electronic meeting unless the public body has
3308 adopted a resolution, rule, or ordinance governing the use of electronic meetings.

3309 (b) A resolution, rule, or ordinance described in Subsection (2)(a) that governs an
3310 electronic meeting shall establish the conditions under which a remote member is included in
3311 calculating a quorum.

3312 (c) A resolution, rule, or ordinance described in Subsection (2)(a) may:

3313 (i) prohibit or limit electronic meetings based on budget, public policy, or logistical
3314 considerations;

3315 (ii) require a quorum of the public body to:

3316 (A) be present at a single anchor location for the meeting; and

3317 (B) vote to approve establishment of an electronic meeting in order to include other

- 3318 members of the public body through an electronic connection;
- 3319 (iii) require a request for an electronic meeting to be made by a member of a public
- 3320 body up to three days prior to the meeting to allow for arrangements to be made for the
- 3321 electronic meeting;
- 3322 (iv) restrict the number of separate connections for members of the public body that are
- 3323 allowed for an electronic meeting based on available equipment capability;
- 3324 (v) if the public body is statutorily authorized to allow a member of the public body to
- 3325 act by proxy, establish the conditions under which a member may vote or take other action by
- 3326 proxy; or
- 3327 (vi) establish other procedures, limitations, or conditions governing electronic meetings
- 3328 not in conflict with this section.
- 3329 (3) A public body that convenes and conducts an electronic meeting shall:
- 3330 (a) give public notice of the electronic meeting in accordance with Section 52-4-202;
- 3331 (b) except for an electronic meeting described in Subsection (5), post written notice of
- 3332 the electronic meeting at the anchor location; and
- 3333 (c) except as otherwise provided in a rule of the Legislature applicable to the public
- 3334 body, at least 24 hours before the electronic meeting is scheduled to begin, provide each
- 3335 member of the public body a description of how to electronically connect to the meeting.
- 3336 (4) (a) Except as provided in Subsection (5), a public body that convenes and conducts
- 3337 an electronic meeting shall provide space and facilities at an anchor location for members of
- 3338 the public to attend the open portions of the meeting.
- 3339 (b) A public body that convenes and conducts an electronic meeting may provide
- 3340 means by which members of the public may attend the meeting remotely by electronic means.
- 3341 (5) Subsection (4)(a) does not apply to an electronic meeting if:
- 3342 (a) (i) the chair of the public body determines that:
- 3343 (A) conducting the meeting as provided in Subsection (4)(a) presents a substantial risk
- 3344 to the health or safety of those present or who would otherwise be present at the anchor
- 3345 location; or
- 3346 (B) the location where the public body would normally meet has been ordered closed
- 3347 to the public for health or safety reasons; and
- 3348 (ii) the public notice for the meeting includes:

- 3349 (A) a statement describing the chair's determination under Subsection (5)(a)(i);
- 3350 (B) a summary of the facts upon which the chair's determination is based; and
- 3351 (C) information on how a member of the public may attend the meeting remotely by
- 3352 electronic means;
- 3353 (b) (i) during the course of the electronic meeting, the chair:
- 3354 (A) determines that continuing to conduct the electronic meeting as provided in
- 3355 Subsection (4)(a) presents a substantial risk to the health or safety of those present at the
- 3356 anchor location; and
- 3357 (B) announces during the electronic meeting the chair's determination under Subsection
- 3358 (5)(b)(i)(A) and states a summary of the facts upon which the determination is made; and
- 3359 (ii) in convening the electronic meeting, the public body has provided means by which
- 3360 members of the public who are not physically present at the anchor location may attend the
- 3361 electronic meeting remotely by electronic means;
- 3362 (c) (i) the public body is a special district board of trustees established under Title 17B,
- 3363 Chapter 1, Part 3, Board of Trustees;
- 3364 (ii) the board of trustees' membership consists of:
- 3365 (A) at least two members who are elected or appointed to the board as owners of land,
- 3366 or as an agent or officer of the owners of land, under the criteria described in Subsection
- 3367 17B-1-302(2)(b); or
- 3368 (B) at least one member who is elected or appointed to the board as an owner of land,
- 3369 or as an agent or officer of the owner of land, under the criteria described in Subsection
- 3370 ~~[17B-1-302(3)(a)(ii)]~~ 17B-1-302(3)(b)(ii);
- 3371 (iii) the public notice required under Subsection 52-4-202(3)(a)(i)(B) for the electronic
- 3372 meeting includes information on how a member of the public may attend the meeting remotely
- 3373 by electronic means; and
- 3374 (iv) the board of trustees allows members of the public attending the meeting by
- 3375 remote electronic means to participate in the meeting; or
- 3376 (d) (i) the public body is a special service district administrative control board
- 3377 established under Title 17D, Chapter 1, Part 3, Administrative Control Board;
- 3378 (ii) the administrative control board's membership consists of:
- 3379 (A) at least one member who is elected or appointed to the board as an owner of land,

3380 or as an agent or officer of the owner of land, under the criteria described in Subsection
3381 17D-1-304(1)(a)(iii)(A) or (B), as applicable; or

3382 (B) members that qualify for election or appointment to the board because the owners
3383 of real property in the special service district meet or exceed the threshold percentage described
3384 in Subsection 17D-1-304(1)(b)(i);

3385 (iii) the public notice required under Subsection 52-4-202(3)(a)(i)(B) for the electronic
3386 meeting includes information on how a member of the public may attend the meeting remotely
3387 by electronic means; and

3388 (iv) the administrative control board allows members of the public attending the
3389 meeting by remote electronic means to participate in the meeting.

3390 (6) A determination under Subsection (5)(a)(i) expires 30 days after the day on which
3391 the chair of the public body makes the determination.

3392 (7) Compliance with the provisions of this section by a public body constitutes full and
3393 complete compliance by the public body with the corresponding provisions of Sections
3394 52-4-201 and 52-4-202.

3395 (8) Unless a public body adopts a resolution, rule, or ordinance described in Subsection
3396 (2)(c)(v), a public body that is conducting an electronic meeting may not allow a member to
3397 vote or otherwise act by proxy.

3398 (9) Except for a unanimous vote, a public body that is conducting an electronic
3399 meeting shall take all votes by roll call.

3400 Section 54. **Effective date.**

3401 This bill takes effect on May 1, 2024.