

Limited Purpose Local Government Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jerry W. Stevenson

House Sponsor: Paul A. Cutler

LONG TITLE

General Description:

This bill modifies provisions affecting special districts.

Highlighted Provisions:

This bill:

- defines terms and modifies definitions;
- provides that a property owner special district may pledge all or a portion of revenue collected from an impact fee or other fee toward payment of a general obligation bond;
- authorizes a basic special district to create a public infrastructure district;
- authorizes a basic special district to fund:
 - the acquisition and construction of certain facilities; and
 - affordable housing projects;
- modifies requirements for determining consent of surface property owners within a public infrastructure district;
- modifies provisions related to the appointment or election of board members for a public infrastructure district;
- modifies provisions related to the annexation of property to, or withdrawal of property from, a public infrastructure district;
- provides that a public entity or private person may not receive funds from any portion of a public infrastructure district's property tax revenue without a resolution of the public infrastructure district's board authorizing the public entity or private person to receive the funds;
- modifies the process for a public infrastructure district to issue a bond; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

11-42-106 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Chapter 388

11-42-408 (Effective upon governor's approval), as last amended by Laws of Utah 2017, Chapter 470

11-42a-102 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Chapters 42, 53 and 438

17B-1-304 (Effective upon governor's approval), as last amended by Laws of Utah 2023, Chapters 15, 435

17B-1-1102 (Effective upon governor's approval), as last amended by Laws of Utah 2023, Chapter 15

17D-4-102 (Effective upon governor's approval), as last amended by Laws of Utah 2024, Chapter 419

17D-4-103 (Effective upon governor's approval), as last amended by Laws of Utah 2023, Chapter 15

17D-4-201 (Effective upon governor's approval), as last amended by Laws of Utah 2023, Chapters 12, 15 and 259

17D-4-202 (Effective upon governor's approval), as last amended by Laws of Utah 2021, Chapters 64, 415 and renumbered and amended by Laws of Utah 2021, Chapter 314

17D-4-203 (Effective upon governor's approval), as last amended by Laws of Utah 2023, Chapters 15, 259

17D-4-204 (Effective upon governor's approval), as last amended by Laws of Utah 2023, Chapter 15

17D-4-301 (Effective upon governor's approval), as last amended by Laws of Utah 2023, Chapters 15, 139

17D-4-302 (Effective upon governor's approval), as renumbered and amended by Laws of Utah 2021, Chapter 314

17D-4-303 (Effective upon governor's approval), as renumbered and amended by Laws of Utah 2021, Chapter 314

17D-4-305 (Effective upon governor's approval), as last amended by Laws of Utah 2024,

Chapter 158

67-1a-6.5 (Effective upon governor's approval), as last amended by Laws of Utah 2024,

Chapter 388

ENACTS:

17B-1-1404 (Effective upon governor's approval), Utah Code Annotated 1953

17D-4-104 (Effective upon governor's approval), Utah Code Annotated 1953

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

Section 1. Section **11-42-106** is amended to read:

11-42-106 (Effective upon governor's approval). Action to contest assessment or proceeding -- Requirements -- Exclusive remedy -- Bonds and assessment incontestable.

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

- (a) set aside a proceeding to designate an assessment area; or
- (b) enjoin the levy or collection of an assessment.

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

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

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

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

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

(ii) The period for commencing an action and serving a summons under Subsection (2)(b)(i) is 30 days if:

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

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

- 96 (3)(a) An action under Subsection (1) is the exclusive remedy of a person who:
- 97 (i) claims an error or irregularity in an assessment or in any proceeding to designate
- 98 an assessment area or levy an assessment; or
- 99 (ii) challenges a bondholder's right to repayment.
- 100 (b) A court may not hear any complaint under Subsection (1) that a person was
- 101 authorized to make but did not make in a protest under Section 11-42-203 or at a
- 102 hearing under Section 11-42-204.
- 103 (c)(i) If a person has not brought a claim for which the person was previously
- 104 authorized to bring but is otherwise barred from making under Subsection (2)(b),
- 105 the claim may not be brought later because of an amendment to the resolution or
- 106 ordinance unless the claim arises from the amendment itself.
- 107 (ii) In an action brought pursuant to Subsection (1), a person may not contest a
- 108 previous decision, proceeding, or determination for which the service deadline
- 109 described in Subsection (2)(b) has expired by challenging a subsequent decision,
- 110 proceeding, or determination.
- 111 (4) An assessment or a proceeding to designate an assessment area or to levy an assessment
- 112 may not be declared invalid or set aside in part or in whole because of an error or
- 113 irregularity that does not go to the equity or justice of the proceeding or the assessment
- 114 meeting the requirements of Section 11-42-409.
- 115 (5) After the expiration of the period referred to in Subsection (2)(b):
- 116 (a) assessment bonds and refunding assessment bonds issued or to be issued with respect
- 117 to an assessment area and assessments levied on property in the assessment area
- 118 become at that time incontestable against all persons who have not commenced an
- 119 action and served a summons as provided in this section; and
- 120 (b) a suit to enjoin the issuance or payment of assessment bonds or refunding assessment
- 121 bonds, the levy, collection, or enforcement of an assessment, or to attack or question
- 122 in any way the legality of assessment bonds, refunding assessment bonds, or an
- 123 assessment may not be commenced, and a court may not inquire into those matters.
- 124 (6)(a) This section may not be interpreted to insulate a local entity from a claim of
- 125 misuse of assessment funds after the expiration of the period described in Subsection
- 126 (2)(b).
- 127 (b)(i) Except as provided in Subsection (6)(b)(ii), an action in the nature of
- 128 mandamus is the sole form of relief available to a party challenging the misuse of
- 129 assessment funds.

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

Section 2. Section **11-42-408** is amended to read:

11-42-408 (Effective upon governor's approval). Assessment against government land prohibited -- Exception.

(1)(a) Except as provided in Subsection (2), a local entity may not levy an assessment against property owned by the federal government or a public agency, even if the property benefits from the improvement.

(b) Notwithstanding Subsection (1)(a), a public agency may contract with a local entity:

(i) for the local entity to provide an improvement to property owned by the public agency; and

(ii) to pay for the improvement provided by the local entity.

(c) Nothing in this section may be construed to prevent a local entity from imposing on and collecting from a public agency, or a public agency from paying, a reasonable charge for a service rendered or material supplied by the local entity to the public agency, including a charge for water, sewer, or lighting service.

(2) Notwithstanding Subsection (1):

(a)(i) a local entity may continue to levy and enforce an assessment against property acquired by a public agency within an assessment area if the acquisition occurred after the assessment area was designated; and

~~[(b)]~~ (ii) property that is subject to an assessment lien at the time it is acquired by a public agency continues to be subject to the lien and to enforcement of the lien if the assessment and interest on the assessment are not paid when due~~[-]~~ ; or

(b) a local entity may levy and enforce an assessment against property owned by the federal government or a public agency if the federal government or public agency, as applicable, consents in writing to the local entity levying the assessment.

Section 3. Section **11-42a-102** is amended to read:

11-42a-102 (Effective upon governor's approval). Definitions.

(1) "Air quality standards" means that a vehicle's emissions are equal to or cleaner than the standards established in bin 4 Table S04-1, of 40 C.F.R. 86.1811-04(c)(6).

(2)(a) "Assessment" means the assessment that a local entity or the C-PACE district levies on private property under this chapter to cover the costs of an energy efficiency upgrade, a clean energy system, or an electric vehicle charging infrastructure.

(b) "Assessment" does not constitute a property tax but shares the same priority lien as a property tax.

(3) "Assessment fund" means a special fund that a local entity establishes under Section 11-42a-206.

(4) "Benefitted property" means private property within an energy assessment area that directly benefits from improvements.

(5) "Bond" means an assessment bond and a refunding assessment bond.

(6)(a) "Clean energy system" means an energy system that:

(i) produces energy from clean resources, including:

(A) a photovoltaic system;

(B) a solar thermal system;

(C) a wind system;

(D) a geothermal system, including a generation system, a direct-use system, or a ground source heat pump system;

(E) a micro-hydro system;

(F) a biofuel system;

(G) energy derived from nuclear fuel; or

(H) any other clean source system that the governing body of the local entity approves; or

(ii) stores energy, including:

(A) a battery storage system; or

(B) any other energy storing system that the governing body or chief executive officer of a local entity approves.

(b) "Clean energy system" includes any improvement that relates physically or functionally to any of the products, systems, or devices listed in Subsection (6)(a)(i) or (ii).

(c) "Clean energy system" does not include a system described in Subsection (6)(a)(i) if the system provides energy to property outside the energy assessment area, unless the system:

(i)(A) existed before the creation of the energy assessment area; and

(B) beginning before January 1, 2017, provides energy to property outside of the area that became the energy assessment area;

(ii) provides energy to property outside the energy assessment area under an agreement with a public electrical utility that is substantially similar to agreements

- 198 for other renewable energy systems that are not funded under this chapter; or
199 (iii) is a biofuel system.
- 200 (7)(a) "Commercial or industrial real property" means private real property used directly
201 or indirectly or held for one of the following purposes or activities, regardless of
202 whether the purpose or activity is for profit:
- 203 (i) commercial;
 - 204 (ii) mining;
 - 205 (iii) agricultural;
 - 206 (iv) industrial;
 - 207 (v) manufacturing;
 - 208 (vi) trade;
 - 209 (vii) professional;
 - 210 (viii) a private or public club;
 - 211 (ix) a lodge;
 - 212 (x) a business; or
 - 213 (xi) a similar purpose.
- 214 (b) "Commercial or industrial real property" includes:
- 215 (i) private real property that is used as or held for dwelling purposes and contains:
 - 216 (A) more than four rental units; or
 - 217 (B) one or more owner-occupied or rental condominium units affiliated with a
 - 218 hotel; and
 - 219 (ii) real property owned by:
 - 220 (A) the military installation development authority, created in Section 63H-1-201;
 - 221 or
 - 222 (B) the Utah Inland Port Authority, created in Section 11-58-201.
- 223 (8) "Contract price" means:
- 224 (a) up to 100% of the cost of installing, acquiring, refinancing, or reimbursing for an
 - 225 improvement, as determined by the owner of the property benefitting from the
 - 226 improvement; or
 - 227 (b) the amount payable to one or more contractors for the assessment, design,
 - 228 engineering, inspection, and construction of an improvement.
- 229 (9) "C-PACE" means commercial property assessed clean energy.
- 230 (10) "C-PACE district" means the statewide authority established in Section 11-42a-106 to
- 231 implement the C-PACE Act in collaboration with governing bodies, under the direction

232 of OED.

233 (11) "Electric vehicle charging infrastructure" means equipment that is:

- 234 (a) permanently affixed to commercial or industrial real property; and
235 (b) designed to deliver electric energy to a qualifying electric vehicle or a qualifying
236 plug-in hybrid vehicle.

237 (12) "Energy assessment area" means an area:

- 238 (a) within the jurisdictional boundaries of a local entity that approves an energy
239 assessment area or, if the C-PACE district or a state interlocal entity levies the
240 assessment, the C-PACE district or the state interlocal entity;
241 (b) containing only the commercial or industrial real property of owners who have
242 voluntarily consented to an assessment under this chapter for the purpose of
243 financing the costs of improvements that benefit property within the energy
244 assessment area; and
245 (c) in which the proposed benefitted properties in the area are:
246 (i) contiguous; or
247 (ii) located on one or more contiguous or adjacent tracts of land that would be
248 contiguous or adjacent property but for an intervening right-of-way, including a
249 sidewalk, street, road, fixed guideway, or waterway.

250 (13) "Energy assessment bond" means a bond:

- 251 (a) issued under Section 11-42a-401; and
252 (b) payable in part or in whole from assessments levied in an energy assessment area.

253 (14) "Energy assessment lien" means a lien on property within an energy assessment area
254 that arises from the levy of an assessment in accordance with Section 11-42a-301.

255 (15) "Energy assessment ordinance" means an ordinance that a local entity adopts under
256 Section 11-42a-201 that:

- 257 (a) designates an energy assessment area;
258 (b) levies an assessment on benefitted property within the energy assessment area; and
259 (c) if applicable, authorizes the issuance of energy assessment bonds.

260 (16) "Energy assessment resolution" means one or more resolutions adopted by a local
261 entity under Section 11-42a-201 that:

- 262 (a) designates an energy assessment area;
263 (b) levies an assessment on benefitted property within the energy assessment area; and
264 (c) if applicable, authorizes the issuance of energy assessment bonds.

265 (17) "Energy efficiency upgrade" means an improvement that is:

- 266 (a) permanently affixed to commercial or industrial real property; and
- 267 (b) designed to reduce energy or water consumption, including:
 - 268 (i) insulation in:
 - 269 (A) a wall, roof, floor, or foundation; or
 - 270 (B) a heating and cooling distribution system;
 - 271 (ii) a window or door, including:
 - 272 (A) a storm window or door;
 - 273 (B) a multiglazed window or door;
 - 274 (C) a heat-absorbing window or door;
 - 275 (D) a heat-reflective glazed and coated window or door;
 - 276 (E) additional window or door glazing;
 - 277 (F) a window or door with reduced glass area; or
 - 278 (G) other window or door modifications;
 - 279 (iii) an automatic energy control system;
 - 280 (iv) in a building or a central plant, a heating, ventilation, or air conditioning and
 - 281 distribution system;
 - 282 (v) caulk or weatherstripping;
 - 283 (vi) a light fixture that does not increase the overall illumination of a building, unless
 - 284 an increase is necessary to conform with the applicable building code;
 - 285 (vii) an energy recovery system;
 - 286 (viii) a daylighting system;
 - 287 (ix) measures to reduce the consumption of water, through conservation or more
 - 288 efficient use of water, including installation of:
 - 289 (A) low-flow toilets and showerheads;
 - 290 (B) timer or timing systems for a hot water heater; or
 - 291 (C) rain catchment systems;
 - 292 (x) a modified, installed, or remodeled fixture that is approved as a utility cost-saving
 - 293 measure by the governing body or executive of a local entity;
 - 294 (xi) measures or other improvements to effect seismic upgrades;
 - 295 (xii) structures, measures, or other improvements to provide automated parking or
 - 296 parking that reduces land use;
 - 297 (xiii) the extension of an existing natural gas distribution company line;
 - 298 (xiv) an energy efficient elevator, escalator, or other vertical transport device;
 - 299 (xv) any other improvement that the governing body or executive of a local entity

- 300 approves as an energy efficiency upgrade; or
301 (xvi) any improvement that relates physically or functionally to any of the
302 improvements listed in Subsections (17)(b)(i) through (xv).
- 303 (18) "Energy system" means a product, system, device, or interacting group of devices that:
304 (a) produces or stores energy; and
305 (b) is permanently affixed to commercial or industrial real property not located in the
306 certified service area of a distribution electrical cooperative, as defined in Section
307 54-2-1.
- 308 (19) "Governing body" means:
309 (a) for a county, city, or town, the legislative body of the county, city, or town;
310 (b) for a special district, the board of trustees of the special district;
311 (c) for a special service district:
312 (i) if no administrative control board has been appointed under Section 17D-1-301,
313 the legislative body of the county, city, town, or metro township that established
314 the special service district; or
315 (ii) if an administrative control board has been appointed under Section 17D-1-301,
316 the administrative control board of the special service district;
317 (d) for a public infrastructure district, the board of the public infrastructure district;
318 ~~[(d)]~~ (e) for the military installation development authority created in Section 63H-1-201,
319 the board, as that term is defined in Section 63H-1-102; and
320 ~~[(e)]~~ (f) for the Utah Inland Port Authority, created in Section 11-58-201, the board, as
321 defined in Section 11-58-102.
- 322 (20) "Improvement" means a publicly or privately owned energy efficiency upgrade, clean
323 energy system, or electric vehicle charging infrastructure that:
324 (a) a property owner has requested; or
325 (b) has been or is being installed on a property for the benefit of the property owner.
- 326 (21) "Incidental refunding costs" means any costs of issuing a refunding assessment bond
327 and calling, retiring, or paying prior bonds, including:
328 (a) legal and accounting fees;
329 (b) charges of financial advisors, escrow agents, certified public accountant verification
330 entities, and trustees;
331 (c) underwriting discount costs, printing costs, and the costs of giving notice;
332 (d) any premium necessary in the calling or retiring of prior bonds;
333 (e) fees to be paid to the local entity to issue the refunding assessment bond and to

334 refund the outstanding prior bonds;

335 (f) any other costs that the governing body determines are necessary and proper to incur
336 in connection with the issuance of a refunding assessment bond; and

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

339 (22) "Installment payment date" means the date on which an installment payment of an
340 assessment is payable.

341 (23) "Jurisdictional boundaries" means:

342 (a) for the C-PACE district or any state interlocal entity, the boundaries of the state; and

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

344 (24)(a) "Local entity" means:

345 (i) a county, city, or town;

346 (ii) a special service district, a special district, or an interlocal entity as that term is
347 defined in Section 11-13-103;

348 (iii) a public infrastructure district, created under Title 17D, Chapter 4, Public
349 Infrastructure District Act;

350 [~~(iii)~~] (iv) a state interlocal entity;

351 [~~(iv)~~] (v) the military installation development authority, created in Section 63H-1-201;

352 [~~(v)~~] (vi) the Utah Inland Port Authority, created in Section 11-58-201; or

353 [~~(vi)~~] (vii) any political subdivision of the state.

354 (b) "Local entity" includes the C-PACE district solely in connection with:

355 (i) the designation of an energy assessment area;

356 (ii) the levying of an assessment; and

357 (iii) the assignment of an energy assessment lien to a third-party lender under Section
358 11-42a-302.

359 (25) "Local entity obligations" means energy assessment bonds and refunding assessment
360 bonds that a local entity issues.

361 (26) "OED" means the Office of Energy Development created in Section 79-6-401.

362 (27) "OEM vehicle" means the same as that term is defined in Section 19-1-402.

363 (28) "Overhead costs" means the actual costs incurred or the estimated costs to be incurred
364 in connection with an energy assessment area, including:

365 (a) appraisals, legal fees, filing fees, facilitation fees, and financial advisory charges;

366 (b) underwriting fees, placement fees, escrow fees, trustee fees, and paying agent fees;

367 (c) publishing and mailing costs;

(d) costs of levying an assessment;

(e) recording costs; and

(f) all other incidental costs.

(29) "Parameters resolution" means a resolution or ordinance that a local entity adopts in accordance with Section 11-42a-201.

(30) "Prior bonds" means the energy assessment bonds refunded in part or in whole by a refunding assessment bond.

(31) "Prior energy assessment ordinance" means the ordinance levying the assessments from which the prior bonds are payable.

(32) "Prior energy assessment resolution" means the resolution levying the assessments from which the prior bonds are payable.

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

(34) "Public electrical utility" means a large-scale electric utility as that term is defined in Section 54-2-1.

(35) "Qualifying electric vehicle" means a vehicle that:

(a) meets air quality standards;

(b) is not fueled by natural gas;

(c) draws propulsion energy from a battery with at least 10 kilowatt hours of capacity; and

(d) is an OEM vehicle except that the vehicle is fueled by a fuel described in Subsection (35)(c).

(36) "Qualifying plug-in hybrid vehicle" means a vehicle that:

(a) meets air quality standards;

(b) is not fueled by natural gas or propane;

(c) has a battery capacity that meets or exceeds the battery capacity described in Subsection 30D(b)(3), Internal Revenue Code; and

(d) is fueled by a combination of electricity and:

(i) diesel fuel;

(ii) gasoline; or

(iii) a mixture of gasoline and ethanol.

(37) "Reduced payment obligation" means the full obligation of an owner of property within an energy assessment area to pay an assessment levied on the property after the local entity has reduced the assessment because of the issuance of a refunding

assessment bond, in accordance with Section 11-42a-403.

(38) "Refunding assessment bond" means an assessment bond that a local entity issues under Section 11-42a-403 to refund, in part or in whole, energy assessment bonds.

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

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

(41) "State interlocal entity" means:

(a) an interlocal entity created under Chapter 13, Interlocal Cooperation Act, by two or more counties, cities, or towns that collectively represent at least a majority of the state's population; or

(b) an entity that another state authorized, before January 1, 2017, to issue bonds, notes, or other obligations or refunding obligations to finance or refinance projects in the state.

(42) "Third-party lender" means a trust company, savings bank, savings and loan association, bank, credit union, or any other entity that provides loans directly to property owners for improvements authorized under this chapter.

Section 4. Section **17B-1-304** is amended to read:

17B-1-304 (Effective upon governor's approval). Appointment procedures for appointed members -- Notice of vacancy.

(1) The appointing authority may, by resolution, appoint persons to serve as members of a special district board by following the procedures established by this section.

(2)(a) In any calendar year when appointment of a new special district board member is required, the appointing authority shall prepare a notice of vacancy that contains:

(i) the positions that are vacant that shall be filled by appointment;

(ii) the qualifications required to be appointed to those positions;

(iii) the procedures for appointment that the governing body will follow in making those appointments; and

(iv) the person to be contacted and any deadlines that a person shall meet who wishes to be considered for appointment to those positions.

(b) The appointing authority shall publish the notice of vacancy for the special district, as a class A notice under Section 63G-30-102, for at least one month before the deadline for accepting nominees for appointment.

(c) The appointing authority may bill the special district for the cost of preparing, printing, and publishing the notice.

- 436 (3)(a) After the appointing authority is notified of a vacancy and has satisfied the
437 requirements described in Subsection (2), the appointing authority shall select a
438 person to fill the vacancy from the applicants who meet the qualifications established
439 by law.
- 440 (b) The appointing authority shall:
- 441 (i) comply with Title 52, Chapter 4, Open and Public Meetings Act, in making the
442 appointment;
- 443 (ii) allow any interested persons to be heard; and
- 444 (iii) adopt a resolution appointing a person to the special district board.
- 445 (c) If no candidate for appointment to fill the vacancy receives a majority vote of the
446 appointing authority, the appointing authority shall select the appointee from the two
447 top candidates by lot.
- 448 (4) Persons appointed to serve as members of the special district board serve four-year
449 terms, but may be removed for cause at any time after a hearing by two-thirds vote of
450 the appointing body.
- 451 (5)(a) At the end of each board member's term, the position is considered vacant, and,
452 after following the appointment procedures established in this section, the appointing
453 authority may either reappoint the incumbent board member or appoint a new
454 member.
- 455 (b) Notwithstanding Subsection (5)(a), a board member may continue to serve until a
456 successor is elected or appointed and qualified in accordance with Subsection
457 17B-1-303(2)(b).
- 458 (6) Notwithstanding any other provision of this section, if the appointing authority appoints
459 one of its own members and that member meets all applicable statutory board member
460 qualifications, the appointing authority need not comply with Subsection (2) or (3).
- 461 (7)(a) This section does not apply to the appointment of a member of a public
462 infrastructure district board.
- 463 (b) Section 17D-4-202 governs the appointment process for a member of the board of a
464 public infrastructure district.
- 465 Section 5. Section **17B-1-1102** is amended to read:
- 466 **17B-1-1102 (Effective upon governor's approval). General obligation bonds.**
- 467 (1) Except as provided in Subsections (3) and (7), if a district intends to issue general
468 obligation bonds, the district shall first obtain the approval of district voters for issuance
469 of the bonds at an election held for that purpose as provided in Title 11, Chapter 14,

470 Local Government Bonding Act.

471 (2) General obligation bonds shall be secured by a pledge of the full faith and credit of the
472 district, subject to, for a water conservancy district, the property tax levy limits of
473 Section 17B-2a-1006.

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

476 (4)(a) A special district may not issue general obligation bonds if the issuance of the
477 bonds will cause the outstanding principal amount of all of the district's general
478 obligation bonds to exceed the amount that results from multiplying the fair market
479 value of the taxable property within the district, as determined under Subsection
480 11-14-301(3)(b), by a number that is:

481 (i) .05, for a basic special district, except as provided in Subsection (7);

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

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

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

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

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

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

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

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

490 (x) .12, for a service area; or

491 (xi) .05 for a municipal services district.

492 (b) Bonds or other obligations of a special district that are not general obligation bonds
493 are not included in the limit stated in Subsection (4)(a).

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

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

499 (7)(a) As used in this Subsection (7), "property owner district" means a special district
500 whose board members are elected by property owners, as provided in Subsection
501 17B-1-1402(1)(b).

502 (b) A property owner district may issue a general obligation bond with the consent of:

503 (i) the owners of all property within the district; and

- (ii) all registered voters, if any, within the boundary of the district.
- (c) A property owner district may use proceeds from a bond issued under this Subsection (7) to fund:
- (i) the acquisition and construction of a system or improvement authorized in:
- (A) the district's creation resolution; ~~and~~ or
- (B) Part 14, Basic Special District; and
- (ii) a connection outside the boundary of the district between systems or improvements within the boundary of the district.
- (d)(i) The consent under Subsection (7)(b) is sufficient for any requirement necessary for the issuance of a general obligation bond.
- (ii) Beginning on the effective date of this bill, once consent is obtained under Subsection (7)(b), the consent is valid for a period of 10 years.
- (e) A general obligation bond issued under this Subsection (7):
- (i) shall mature no later than 40 years after the date of issuance; and
- (ii) is not subject to the limit under Subsection (4)(a)(i).
- (f)(i) A property owner district may not issue a general obligation bond under this Subsection (7) if the issuance will cause the outstanding principal amount of all the district's general obligation bonds to exceed one-half of the market value of all real property within the district.
- (ii) Market value under Subsection (7)(f)(i) shall:
- (A) be based on the value that the real property will have after all improvements financed by the general obligation bonds are constructed; and
- (B) be determined by appraisal by an appraiser who is a member of the Appraisal Institute.
- (g) With respect to a general obligation bond issued under this Subsection (7), the board of a property owner district may approve or, by resolution, delegate to one or more officers of the district, the authority to:
- (i) approve the final interest rate, price, principal amount, maturity, redemption features, and other terms of the bond;
- (ii) approve and execute a document relating to the issuance of the bond; and
- (iii) approve a contract, including a contract with a property owner within the district, related to the acquisition and construction of an improvement, facility, or property to be financed with proceeds from the bond.
- (h)(i) A person may commence a lawsuit or other proceeding to contest the legality

of the issuance of a general obligation bond issued under this Subsection (7) or any provision relating to the security or payment of the bond if the lawsuit or other proceeding is commenced within 30 days after the publication of:

(A) the resolution authorizing the issuance of the general obligation bond; or

(B) a notice of the bond issuance containing substantially the items required under Subsection 11-14-316(2).

(ii) Following the period described in Subsection (7)(h)(i), no person may bring a lawsuit or other proceeding to contest for any reason the regularity, formality, or legality of a general obligation bond issued under this Subsection (7).

(i)[(i)] A property owner district that charges and collects an impact fee or other fee on real property ~~[at the time the real property is sold may proportionally pay down a general obligation bond issued under this Subsection (7) from the money collected from the impact fee or other fee]~~ may pledge all or a portion of the revenue collected from the impact fee or other fee toward payment of a general obligation bond issued under this Subsection (7).

~~[(ii) A property owner district that proportionally pays down a general obligation bond under Subsection (7)(i)(i) shall reduce the property tax rate on the parcel of real property on which the district charged and collected an impact fee or other charge, to reflect the amount of outstanding principal of a general obligation bond issued under this Subsection (7) that was paid down and is attributable to that parcel.]~~

(j) If a property owner fails to pay a property tax that the property owner district imposes in connection with a general obligation bond issued under this Subsection (7), the district may impose a property tax penalty at an annual rate of .07, in addition to any other penalty allowed by law.

Section 6. Section **17B-1-1404** is enacted to read:

17B-1-1404 (Effective upon governor's approval). Basic special district authorized to create a public infrastructure district -- Basic special district authorized to fund certain projects and services.

(1)(a) As used in this section, "eligible basic special district" means a basic special district:

(i) created before April 15, 2011;

(ii) that issued limited general obligation bonds in 2024; and

(iii) for which there was not one or more public infrastructure districts within the

boundaries of the basic special district as of January 1, 2025.

- (2)(a) Subject to Subsection (3), an eligible basic special district may create a public infrastructure district, in accordance with Title 17D, Chapter 4, Public Infrastructure District Act, for any area located within the boundaries of the eligible basic special district.
- (b) An eligible basic special district that creates a public infrastructure district is the creating entity for purposes of Title 17D, Chapter 4, Public Infrastructure District Act, and shall receive any petitions required to be submitted to a creating entity.
- (3) When a public infrastructure district is created pursuant to this section:
- (a) the public infrastructure district shall have the same powers as the eligible basic special district that is the public infrastructure district's creating entity; and
- (b) upon creation of the public infrastructure district, the area within the public infrastructure district shall automatically be withdrawn from the eligible basic special district and shall no longer be part of the eligible basic special district.
- (4) In addition to the requirements of Section 17D-4-202, an eligible basic special district shall ensure that the governing document for a public infrastructure district created under this section provides for the election of the initial and future boards of the public infrastructure district using the same method as the election of the board of the eligible basic special district.
- (5) In addition to the other powers described in this part, an eligible basic special district may:
- (a) fund, in whole or in part, the acquisition and construction of a public facility for use by one or more government entities;
- (b) transfer the eligible basic special district's ownership interest in a public facility to another political subdivision pursuant to a written agreement between the eligible basic special district and the receiving political subdivision; and
- (c) fund, in whole or in part, the acquisition or construction of:
- (i) privately owned affordable housing, consisting of single-family dwellings or townhomes;
- (ii) facilities for health care, recreation, community arts, or an amphitheater, whether those facilities are publicly or privately owned; and
- (iii) a privately owned grocery store, if there is not a grocery store located within the eligible basic special district's boundary.

Section 7. Section **17D-4-102** is amended to read:

17D-4-102 (Effective upon governor's approval). Definitions.

As used in this chapter:

- (1) "Board" means the board of trustees of a public infrastructure district.
- (2) "Creating entity" means the county, municipality, basic special district, or development authority that approves the creation of a public infrastructure district.
- (3) "Development authority" means:
 - (a) the Utah Inland Port Authority created in Section 11-58-201;
 - (b) the Point of the Mountain State Land Authority created in Section 11-59-201;
 - (c) the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201; or
 - (d) the military installation development authority created in Section 63H-1-201.
- (4) "District applicant" means the person proposing the creation of a public infrastructure district.
- (5) "Division" means a division of a public infrastructure district:
 - (a) that is relatively equal in number of eligible voters or potential eligible voters to all other divisions within the public infrastructure district, taking into account existing or potential developments which, when completed, would increase or decrease the population within the public infrastructure district; and
 - (b) which a member of the board represents.
- (6) "Governing document" means the document governing a public infrastructure district to which the creating entity agrees before the creation of the public infrastructure district, as amended from time to time, and subject to the limitations of Title 17B, Chapter 1, Provisions Applicable to All Special Districts, and this chapter.
- (7)(a) "Limited tax bond" means a bond:
 - (i) that is directly payable from and secured by ad valorem property taxes that are levied:
 - (A) by a public infrastructure district that issues the bond; and
 - (B) on taxable property within the district;
 - (ii) that is a general obligation of the public infrastructure district; and
 - (iii) for which the ad valorem property tax levy for repayment of the bond does not exceed the property tax levy rate limit established under Section 17D-4-303 for any fiscal year, except as provided in Subsection [~~17D-4-301(8)~~] 17D-4-301(13).
- (b) "Limited tax bond" does not include:
 - (i) a short-term bond;

(ii) a tax and revenue anticipation bond; or

(iii) a special assessment bond.

(8)(a) "Municipal advisor" means a person that:

(i) advises a political subdivision on matters related to the issuance of bonds by governmental entities, including the pricing, sales, and marketing of bonds and the procuring of bond ratings, credit enhancement, and insurance with respect to bonds;

(ii) is qualified to provide the advice described in Subsection (8)(a)(i);

(iii) is not an officer or employee of the political subdivision receiving advice;

(iv) has not been engaged to provide underwriting services in connection with a transaction in which the person will provide advice to the political subdivision; and

(v) has experience doing business related to the issuance of bonds in the state.

(b) "Municipal advisor" may include:

(i) an individual who meets the description in Subsection (8)(a); or

(ii) a firm of individuals who collectively meet the description in Subsection (8)(a).

(9)(a) "Public infrastructure and improvements" means:

(i) infrastructure, utilities, improvements, facilities, buildings, or remediation that:

(A) benefit the public and are owned by a public entity or a public or private utility;

(B) benefit the public and are publicly maintained or operated by a public entity; or

(C) are privately owned and are expressly permitted to be acquired or financed by the public infrastructure district's governing document or an agreement between the public infrastructure district and the public infrastructure district's creating entity; and

(ii) publicly or privately owned roads, rights-of-way, trails, parking, or parking structures.

(b) "Public infrastructure and improvements" also means:

[(a)] (i) the same as that term is defined in Section 11-58-102, for a public infrastructure district created by the Utah Inland Port Authority created in Section 11-58-201;

[(b)] (ii) the same as that term is defined in Section 11-70-101, for a public infrastructure district created by the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201; [and]

[(c)] (iii) the same as that term is defined in Section 63H-1-102, for a public

infrastructure district created by the military installation development authority created in Section 63H-1-201[-] ;

(iv) for any public infrastructure district created by a development authority, any infrastructure, utilities, improvements, facilities, buildings, or remediation that are privately owned and benefit the public; and

(v) for a public infrastructure district to which tax increment revenue is pledged or distributed, any publicly or privately owned infrastructure, utilities, improvements, facilities, buildings, or remediation that is a permitted use of the tax increment revenue.

(10)(a) "Tax increment revenue" means the difference between the tax revenue generated from or within a specific area and the revenue that would be generated if a base taxable value were used.

(b) "Tax increment revenue" includes any concept substantially the same as the definition in Subsection (10)(a), regardless of the name of the concept.

Section 8. Section **17D-4-103** is amended to read:

17D-4-103 (Effective upon governor's approval). Provisions applicable to public infrastructure districts.

(1) A public infrastructure district:

(a) is a body corporate and politic with perpetual succession;

(b) is a quasi-municipal corporation;

(c) is a political subdivision of the state;

(d) is separate and distinct from, and independent of, any other public entity or political subdivision of the state; and

(e) may sue and be sued.

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

(a) this chapter; and

(b) Title 17B, Chapter 1, Provisions Applicable to All Special Districts.

[({2})] (3) This chapter applies only to a public infrastructure district.

[({3})] (4) Except as modified or exempted by this chapter, a public infrastructure district is[-] :

(a) to the same extent as if the public infrastructure district were a special district, subject to the provisions in:

[({a})] (i) Title 17B, Chapter 1, Provisions Applicable to All Special Districts; and

[({b})] (ii) Title 20A, Election Code[-] ; and

(b) subject to the provisions in Title 11, Chapter 42a, Commercial Property Assessed

Clean Energy Act.

[(4)] (5) If there is a conflict between a provision in Title 17B, Chapter 1, Provisions Applicable to All Special Districts, and a provision in this chapter, the provision in this chapter supersedes the conflicting provision in Title 17B, Chapter 1, Provisions Applicable to All Special Districts.

[(5)] (6) The annexation of an unincorporated area by a municipality or the adjustment of a boundary shared by more than one municipality does not affect the boundaries of a public infrastructure district.

Section 9. Section **17D-4-104** is enacted to read:

17D-4-104 (Effective upon governor's approval). Conditions where property owner consent is not required.

Any provision of this chapter requiring the consent or signatures of 100% of surface property owners within an applicable area, the consent of any public entity, utility provider, or owners' association that is a property owner within an applicable area is not required if the public entity, utility provider, or owners' association ownership interest within the applicable area is limited to:

(1) an easement;

(2) a right-of-way; or

(3) a public improvement, utility improvement, or related improvement.

Section 10. Section **17D-4-201** is amended to read:

17D-4-201 (Effective upon governor's approval). Creation -- Annexation or withdrawal of property.

(1)(a) Except as provided in Subsection (1)(b), Subsection (2), and in addition to the provisions regarding creation of a special district in Title 17B, Chapter 1, Provisions Applicable to All Special Districts, a public infrastructure district may not be created unless[:]

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

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

(b)(i) As used in this Subsection (1)(b):

(A) "Military [~~Land~~] land" means the same as that term is defined in Section

63H-1-102.

(B) "Project area" means the same as that term is defined in Section 63H-1-102.

(ii) Notwithstanding Title 17B, Chapter 1, Part 2, Creation of a Special District, and any other provision of this chapter, a development authority may adopt a resolution creating a public infrastructure district if all owners of surface property proposed to be included within the public infrastructure district consent in writing to the creation of the public infrastructure district.

(iii) For purposes of Subsection (1)(b)(ii), if the surface property proposed to be included within the public infrastructure district includes military land that is within a project area, the owner of the military land within the project area is the lessee of the military land.

(iv) A public infrastructure district created under Subsection (1)(b)(ii) may be created as a subsidiary of the development authority that adopts the resolution creating the public infrastructure district.

(2)(a) The following do not apply to the creation of a public infrastructure district:

(i) Section 17B-1-203;

(ii) Section 17B-1-204;

(iii) Subsection 17B-1-208(2);

(iv) Section 17B-1-212; or

(v) Section 17B-1-214.

(b) The protest period described in Section 17B-1-213 may be waived in whole or in part with the consent of[:]

~~[(i) 100% of registered voters within the applicable area approving the creation of the public infrastructure district; and]~~

~~[(ii)]~~ _100% of the surface property owners within the applicable area approving the creation of the public infrastructure district.

(c) If the protest period is waived under Subsection (2)(b), a resolution approving the creation of the public infrastructure district may be adopted in accordance with Subsection 17B-1-213(5).

(d) A petition meeting the requirements of Subsection (1)[:]

~~[(i)]~~ _may be certified under Section 17B-1-209[; and] _

~~[(ii) shall be filed with the lieutenant governor in accordance with Subsection 17B-1-215(1)(b)(iii).]~~

(e) Notwithstanding Subsection 17B-1-215(1)(b), the district applicant shall file the

776 items required by Subsection 17B-1-215(1)(a) with the lieutenant governor within 30
777 days of the day on which a resolution creating a public infrastructure district is
778 adopted.

779 (3)[(a)] Notwithstanding Title 17B, Chapter 1, Part 4, Annexation, an area outside of the
780 boundaries of a public infrastructure district may be annexed into the public
781 infrastructure district if the following requirements are met:

782 [(i)] (a)[(A)] (i) adoption of resolutions of the board and the creating entity, each
783 approving of the annexation; or

784 [(B)] (ii) adoption of a resolution of the board to annex the area, provided that the
785 governing document or creation resolution for the public infrastructure district
786 authorizes the board to annex an area outside of the boundaries of the public
787 infrastructure district without future consent of the creating entity; and

788 [(ii) if there are any registered voters within the area proposed to be annexed, a
789 petition is filed with the creating entity that contains the signatures of 100% of
790 registered voters within the area, demonstrating that the registered voters approve
791 of the annexation into the public infrastructure district; and]

792 [(iii)] (b) a petition is filed with the [creating entity] public infrastructure district that
793 contains the signatures of 100% of surface property owners within the area proposed
794 to be annexed, demonstrating the surface property owners' consent to the annexation
795 into the public infrastructure district.

796 [(b) Within 30 days of meeting the requirements of Subsection (3)(a), the board shall file
797 with the lieutenant governor:]

798 [(i) a copy of a notice of impending boundary action, as defined in Section 67-1a-6.5,
799 that meets the requirements of Subsection 67-1a-6.5(3); and]

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

801 (4)(a) Notwithstanding Title 17B, Chapter 1, Part 5, Withdrawal, property may be
802 withdrawn from a public infrastructure district if the following requirements are met:

803 (i)(A) adoption of resolutions of the board and the creating entity, each approving
804 of the withdrawal; or

805 (B) adoption of a resolution of the board to withdraw the property, provided that
806 the governing document or creation resolution for the public infrastructure
807 district authorizes the board to withdraw property from the public
808 infrastructure district without further consent from the creating entity; and

809 [(ii) if there are any registered voters within the area proposed to be withdrawn, a

- petition is filed with the creating entity that contains the signatures of 100% of registered voters within the area, demonstrating that the registered voters approve of the withdrawal from the public infrastructure district; and]
- [~~(iii)~~] (ii) a petition is filed with the [~~creating entity~~] public infrastructure district that contains the signatures of 100% of surface property owners within the area proposed to be withdrawn, demonstrating that the surface property owners consent to the withdrawal from the public infrastructure district.
- (b) If any bonds that the public infrastructure district issues are allocable to the area to be withdrawn remain unpaid at the time of the proposed withdrawal, the property remains subject to any taxes, fees, or assessments that the public infrastructure district imposes until the bonds or any associated refunding bonds are paid.
- (c) Upon meeting the requirements of [~~Subsections~~] Subsection (3) or (4)(a)[~~and (b)~~], the board shall:
- (i) [-] within 30 days of the day on which a resolution is adopted or a petition is filed under Subsection (3) or (4)(a), file with the lieutenant governor:
- (A) a copy of a notice of impending boundary action, as defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and
- (B) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5;
- and
- (ii) comply with the requirements of Section 17B-1-512, except:
- (A) Subsections 17B-1-512(1)(b) and (c) do not apply; and
- (B) [-] the time periods described in this section govern.
- (5) A creating entity may impose limitations on the powers of a public infrastructure district through the governing document.
- (6)(a) A public infrastructure district is separate and distinct from the creating entity.
- (b)(i) Except as provided in Subsection (6)(b)(ii), any financial burden of a public infrastructure district:
- (A) is borne solely by the public infrastructure district; and
- (B) is not borne by the creating entity, by the state, or by any municipality, county, or other political subdivision.
- (ii) Notwithstanding Subsection (6)(b)(i) and Section 17B-1-216, the governing document may require:
- (A) the district applicant to bear the initial costs of the public infrastructure district; and

- 844 (B) the public infrastructure district to reimburse the district applicant for the
845 initial costs the creating entity bears.
- 846 (iii) Nothing in this Subsection (6) precludes a public infrastructure district from
847 qualifying directly for an impact fee offset, credit, or refund under Title 11,
848 Chapter 36a, Impact Fees Act, regarding any qualifying system improvements
849 financed by the public infrastructure district.
- 850 (c) Any liability, judgment, or claim against a public infrastructure district:
851 (i) is the sole responsibility of the public infrastructure district; and
852 (ii) does not constitute a liability, judgment, or claim against the creating entity, the
853 state, or any municipality, county, or other political subdivision.
- 854 (d)(i)(A) The public infrastructure district solely bears the responsibility of any
855 collection, enforcement, or foreclosure proceeding with regard to any [tax,]fee[;]
856 or assessment the public infrastructure district imposes.
- 857 (B) The creating entity does not bear the responsibility described in Subsection
858 (6)(d)(i)(A).
- 859 (ii) A public infrastructure district, and not the creating entity, shall undertake the
860 enforcement responsibility described in, as applicable, Subsection (6)(d)(i) in
861 accordance with [~~Title 59, Chapter 2, Property Tax Act, or~~]Title 11, Chapter 42,
862 Assessment Area Act.
- 863 (7) A creating entity may establish criteria in determining whether to approve or disapprove
864 of the creation of a public infrastructure district, including:
865 (a) historical performance of the district applicant;
866 (b) compliance with the creating entity's master plan;
867 (c) credit worthiness of the district applicant;
868 (d) plan of finance of the public infrastructure district; and
869 (e) proposed development within the public infrastructure district.
- 870 (8)(a) The creation of a public infrastructure district is subject to the sole discretion of
871 the creating entity responsible for approving or rejecting the creation of the public
872 infrastructure district.
- 873 (b) The proposed creating entity bears no liability for rejecting the proposed creation of
874 a public infrastructure district.
- 875 Section 11. Section **17D-4-202** is amended to read:
876 **17D-4-202 (Effective upon governor's approval). Public infrastructure district**
877 **board -- Governing document.**

- 878 (1)(a) The legislative body or board of the creating entity shall appoint the initial
879 members of the board of a public infrastructure district, in accordance with the
880 governing document.
- 881 (b) A governing document approved by the legislative body or board of the creating
882 entity may provide for the board of a public infrastructure district to, upon a vacancy
883 on the board, appoint an individual to the board so long as the individual meets the
884 requirements to serve on a public infrastructure district board described in this
885 section.
- 886 (c) For public infrastructure districts not described in Subsection (1)(b), and except as
887 provided in Subsection (1)(d):
- 888 (i) if there is a vacancy on the board of a public infrastructure district, or a board
889 member provides notice to the legislative body or board of the creating entity of
890 the board member's intention to resign from the board, the legislative body or
891 board of the creating entity shall appoint a replacement board member within 45
892 days from the day on which the vacancy first occurs or the board member
893 provides notice of the board member's intent to resign; and
- 894 (ii) if a legislative body or board of the creating entity fails to fill a vacancy on the
895 board within the time period described in Subsection (1)(c)(i), the board of the
896 public infrastructure district may appoint an individual who is eligible to serve on
897 the board according to the requirements of this section to fill the board vacancy.
- 898 (d) If a public infrastructure district board position has transitioned from appointment to
899 election, as described in Subsection (4), and an elected board position becomes
900 vacant, the provisions of Section 20A-1-512 apply to fill the vacancy.
- 901 (2)(a) Unless otherwise limited in the governing document and except as provided in
902 Subsection (2)(b), the initial term of each member of the board is four years.
- 903 (b) Notwithstanding Subsection (2)(a), approximately half of the members of the initial
904 board shall serve a six-year term so that, after the expiration of the initial term, the
905 term of approximately half the board members expires every two years.
- 906 (c) A board may elect that a majority of the board serve an initial term of six years.
- 907 (d) After the initial term, the term of each member of the board is four years.
- 908 (e) A member of the board who is appointed shall continue to serve on the board of the
909 public infrastructure district until a replacement board member is appointed.
- 910 (3)(a) Notwithstanding Subsection 17B-1-302(1)(b), a board member is not required to
911 be a resident within the boundaries of the public infrastructure district if:

- 912 (i) all of the surface property owners consent to the waiver of the residency
913 requirement;
- 914 (ii) there are no residents within the boundaries of the public infrastructure district;
- 915 (iii) no qualified candidate timely files to be considered for appointment to the board;
916 or
- 917 (iv) no qualified individual files a declaration of candidacy for a board position in
918 accordance with Subsection 17B-1-306(5).
- 919 (b) Except under the circumstances described in Subsection (3)(a)(iii) or (iv), the
920 residency requirement in Subsection 17B-1-302(1)(b) is applicable to any board
921 member elected for a division or board position that has transitioned from an
922 appointed to an elected board member in accordance with this section.
- 923 (c) An individual who is not a resident within the boundaries of the public infrastructure
924 district may not serve as a board member unless the individual is:
- 925 (i) an owner of land or an agent or officer of the owner of land within the boundaries
926 of the public infrastructure district; and
- 927 (ii) a registered voter at the individual's primary residence.
- 928 (d) If the creating entity determines that a public infrastructure district is not anticipated
929 to have permanent residents within the public infrastructure district's boundaries, or is
930 anticipated to be primarily composed of non-residential property or non-primary
931 residential property, a governing document may allow the creating entity to continue
932 to appoint a property owner, or the agent of a property owner, to the public
933 infrastructure district board.
- 934 (e) A governing document may allow for a property owner to recommend a property
935 owner or a property owner's agent for appointment to the public infrastructure district
936 board in numbers proportional to the property owner's ownership of land, or value of
937 land, within a public infrastructure district.
- 938 (4)(a) A governing document may provide for a transition from legislative body
939 appointment under Subsection (1) to a method of election by registered voters based
940 upon milestones or events that the governing document identifies, including a
941 milestone for each division or individual board position providing that when the
942 milestone is reached:
- 943 (i) for a division, the registered voters of the division elect a member of the board in
944 place of an appointed member at the next municipal general election for the board
945 position; or

- 946 (ii) for an at large board position established in the governing document, the
947 registered voters of the public infrastructure district elect a member of the board in
948 place of an appointed member at the next municipal general election for the board
949 position.
- 950 (b) Regardless of whether a board member is elected under Subsection (4)(a), the
951 position of each remaining board member shall continue to be appointed under
952 Subsection (1) until the member's respective division or board position surpasses the
953 density milestone described in the governing document.
- 954 (5)(a) Subject to Subsection (5)(c), the board may, in the board's discretion but no more
955 frequently than every four years, reestablish the boundaries of each division so that
956 each division that has reached a milestone specified in the governing document, as
957 described in Subsection (4)(a), has, as nearly as possible, the same number of eligible
958 voters.
- 959 (b) In reestablishing division boundaries under Subsection (5)(a), the board shall
960 consider existing or potential developments within the divisions that, when
961 completed, would increase or decrease the number of eligible voters within the
962 division.
- 963 (c) The governing document may prohibit the board from reestablishing, without the
964 consent of the creating entity, the division boundaries as described in Subsection
965 (5)(a).
- 966 (6) A public infrastructure district may not compensate a board member for the member's
967 service on the board under Section 17B-1-307 unless the board member is a resident
968 within the boundaries of the public infrastructure district.
- 969 (7) A governing document shall:
- 970 (a) include a boundary description and a map of the public infrastructure district;
971 (b) state the number of board members;
972 (c) describe any divisions of the public infrastructure district;
973 (d) establish any applicable property tax levy rate limit for the public infrastructure
974 district;
975 (e) establish any applicable limitation on the principal amount of indebtedness for the
976 public infrastructure district; and
977 (f) include other information that the public infrastructure district or the creating entity
978 determines to be necessary or advisable.
- 979 (8)(a) Except as provided in Subsection (8)(b), the board and the governing body of the

creating entity may amend a governing document by each adopting a resolution that approves the amended governing document.

(b) Notwithstanding Subsection (8)(a), any amendment to increase a property tax levy rate limitation requires the consent of[;]

[(i)] 100% of surface property owners within the boundaries of the public infrastructure district[; and] .

[(ii) 100% of the registered voters, if any, within the boundaries of the public infrastructure district.]

(9) A board member is not in violation of Section 67-16-9 if the board member:

(a) discloses a business relationship in accordance with Sections 67-16-7 and 67-16-8 and files the disclosure with the creating entity:

(i) before any appointment or election; and

(ii) upon any significant change in the business relationship; and

(b) conducts the affairs of the public infrastructure district in accordance with this title and any parameters described in the governing document.

(10) Notwithstanding any other provision of this section, the governing document governs the number, appointment, and terms of board members of a public infrastructure district created by the development authority.

Section 12. Section **17D-4-203** is amended to read:

17D-4-203 (Effective upon governor's approval). Public infrastructure district powers.

A public infrastructure district:

(1) has all of the authority conferred upon a special district under Section 17B-1-103; and

(2) may:

(a) issue negotiable bonds to pay:

(i) all or part of the costs of acquiring, acquiring an interest in, improving, or extending any of the improvements, facilities, or property allowed under Section 11-14-103;

(ii) capital costs of improvements in an energy assessment area, as defined in Section 11-42a-102, and other related costs, against the funds that the public infrastructure district will receive because of an assessment in an energy assessment area[; as defined in Section 11-42a-102];

(iii) public improvements related to the provision of housing;

(iv) capital costs related to public transportation;

- 1014 (v) ~~[for a public infrastructure district created by a development authority,]~~the cost
1015 of acquiring or financing public infrastructure and improvements; and
1016 (vi) for a public infrastructure district that is a subsidiary of or created by the Utah
1017 Inland Port Authority, the costs associated with a remediation project, as defined
1018 in Section 11-58-102;
- 1019 (b) enter into an interlocal agreement in accordance with Title 11, Chapter 13, Interlocal
1020 Cooperation Act, provided that the interlocal agreement may not expand the powers
1021 of the public infrastructure district, within the limitations of Title 11, Chapter 13,
1022 Interlocal Cooperation Act, without the consent of the creating entity;
- 1023 (c) notwithstanding any other provision in code, acquire completed or partially
1024 completed improvements, including related design and consulting services and
1025 related work product, for fair market value as reasonably determined by:
- 1026 (i) the board;
- 1027 (ii) the creating entity, if required in the governing document; or
- 1028 (iii) a surveyor or engineer that a public infrastructure district employs or engages to
1029 perform the necessary engineering services for and to supervise the construction
1030 or installation of the improvements;
- 1031 (d) contract with the creating entity for the creating entity to provide administrative
1032 services on behalf of the public infrastructure district, when agreed to by both parties,
1033 in order to achieve cost savings and economic efficiencies, at the discretion of the
1034 creating entity; ~~[and]~~
- 1035 (e) for a public infrastructure district created by a development authority, or for a public
1036 infrastructure district created by a municipality and located in an urban renewal
1037 project area that includes some or all of an inactive industrial site:
- 1038 (i)(A) operate and maintain public infrastructure and improvements the district
1039 acquires or finances; and
- 1040 (B) use fees, assessments, or taxes to pay for the operation and maintenance of
1041 those public infrastructure and improvements; and
- 1042 (ii) issue bonds under Title 11, Chapter 42, Assessment Area Act; and
- 1043 (f) for a public infrastructure district that is a subsidiary of or created by the Utah Inland
1044 Port Authority, pay for costs associated with a remediation project, as defined in
1045 Section 11-58-102, of the Utah Inland Port Authority.

1046 Section 13. Section **17D-4-204** is amended to read:

1047 **17D-4-204 (Effective upon governor's approval). Relation to other local entities.**

- (1) Notwithstanding the creation of a public infrastructure district, the creating entity and any other public entity, as applicable, retains all of the entity's authority over all zoning, planning, design specifications and approvals, and permitting within the public infrastructure district.
- (2) The inclusion of property within the boundaries of a public infrastructure district does not preclude the inclusion of the property within any other special district.
- (3)(a) All infrastructure that is connected to another public entity's system:
- (i) belongs to that public entity, regardless of inclusion within the boundaries of a public infrastructure district, unless the public infrastructure district and the public entity otherwise agree; and
 - (ii) shall comply with the design, inspection requirements, and other standards of the public entity.
- (b) A public infrastructure district shall convey or transfer the infrastructure described in Subsection (3)(a) free of liens or financial encumbrances to the public entity at no cost to the public entity.
- (4)(a) No public entity or private person shall receive funds from any portion of a public infrastructure district's property tax revenue without a resolution of the public infrastructure district's board authorizing the public entity or private person to receive the funds.
- (b) Subsection (4)(a) does not apply to the county's expenses related to collecting property tax in accordance with Title 59, Chapter 2, Part 12, Property Tax Act.
- (c) Subsection (4)(a) applies notwithstanding any provision in:
- (i) Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act;
 - (ii) Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;
 - (iii) a statute governing a development authority created under Utah Constitution, Article XI; or
 - (iv) a provision of code related to the collection, distribution, or sharing of tax increment revenue, incremental property tax increases, or actions related to the collection, distribution, or sharing of tax increment revenue or incremental property tax increases.

Section 14. Section **17D-4-301** is amended to read:

17D-4-301 (Effective upon governor's approval). Public infrastructure district bonds.

(1)(a) Subject to Subsection (1)(b), a public infrastructure district may issue negotiable bonds or other debt instruments for the purposes described in Section 17D-4-203, as provided in, as applicable:

- (i) Title 11, Chapter 14, Local Government Bonding Act;
- (ii) Title 11, Chapter 27, Utah Refunding Bond Act;
- (iii) Title 11, Chapter 42, Assessment Area Act;
- (iv) Title 11, Chapter 42a, Commercial Property Assessed Clean Energy Act; and
- ~~[(iv)]~~ (v) this section.

(b) A public infrastructure district created by a bonding political subdivision, as defined in Section 63C-25-101, may not issue bonds under this part unless the board first:

- (i) adopts a parameters resolution for the bonds that sets forth:
 - (A) the maximum:
 - (I) amount of bonds;
 - (II) term; and
 - (III) interest rate; and
 - (B) the expected security for the bonds; and
- (ii) submits the parameters resolution for review and recommendation to the State Finance Review Commission created in Section 63C-25-201.

(2) A public infrastructure district bond[:]

~~[(a)]~~ _shall mature within 40 years of the date of issuance[; and] _

~~[(b) may not be secured by any improvement or facility paid for by the public infrastructure district.]~~

(3)(a) A public infrastructure district may issue a limited tax bond, in the same manner as a general obligation bond:

- (i)~~(A)~~ with the consent of 100% of surface property owners within the boundaries of the public infrastructure district; and~~[-100%]~~
- ~~(B)~~ with the consent of a majority of the registered voters, if any, within the boundaries of the proposed public infrastructure district as of the day on which the board finds that the consent of a majority of registered voters has been obtained; or
- (ii) upon approval of a majority of the registered voters within the boundaries of the public infrastructure district voting in an election held for that purpose under Title 11, Chapter 14, Local Government Bonding Act.

(b) A limited tax bond described in Subsection (3)(a):

- 1116 (i) is not subject to the limitation on a general obligation bond described in
1117 Subsection 17B-1-1102(4); and
- 1118 (ii) is subject to a limitation, if any, on the principal amount of indebtedness as
1119 described in the governing document.
- 1120 (c) Unless limited tax bonds are initially purchased exclusively by one or more qualified
1121 institutional buyers as defined in Rule 144A, 17 C.F.R. Sec. 230.144A, or an
1122 investment grade rating is obtained for the limited tax bonds by one or more
1123 nationally recognized rating agencies, the public infrastructure district may only issue
1124 limited tax bonds in denominations of not less than \$500,000, and in integral
1125 multiples above \$500,000 of not less than \$1,000 each.
- 1126 (d)(i) Without any further election or consent of property owners or registered voters,
1127 a public infrastructure district may convert a limited tax bond described in
1128 Subsection (3)(a) to a general obligation bond if the principal amount of the
1129 related limited tax bond together with the principal amount of other related
1130 outstanding general obligation bonds of the public infrastructure district does not
1131 exceed 15% of the fair market value of taxable property in the public
1132 infrastructure district securing the general obligation bonds, determined by:
- 1133 (A) an appraisal from an appraiser who is a member of the Appraisal Institute that
1134 is addressed to the public infrastructure district or a financial institution; or
1135 (B) the most recent market value of the property from the assessor of the county in
1136 which the property is located.
- 1137 (ii) The consent to the issuance of a limited tax bond described in Subsection (3)(a) is
1138 sufficient to meet any statutory or constitutional election requirement necessary
1139 for the issuance of the limited tax bond and any general obligation bond to be
1140 issued in place of the limited tax bond upon meeting the requirements of this
1141 Subsection (3)(d).
- 1142 [~~(iii) A general obligation bond resulting from a conversion of a limited tax bond~~
1143 ~~under this Subsection (3)(d) is not subject to the limitation on general obligation~~
1144 ~~bonds described in Subsection 17B-1-1102(4)(a)(xii).]~~
- 1145 (e) A public infrastructure district that levies a property tax for payment of debt service
1146 on a limited tax bond issued under this section is not required to comply with the
1147 notice and hearing requirements of Section 59-2-919 unless the rate exceeds the rate
1148 established in:
- 1149 (i) Section 17D-4-303, except as provided in Subsection [(8)] (13);

- 1150 (ii) the governing document; or
- 1151 (iii) the documents relating to the issuance of the limited tax bond.
- 1152 (4)(a) For a public infrastructure district seeking the consent described in Subsection
- 1153 (3)(a)(i)(B), a public infrastructure district may:
- 1154 (i) post a class A notice under Section 63G-30-102 for at least 30 days; and
- 1155 (ii) mail a request for consent to each registered voter within the boundaries of the
- 1156 public infrastructure district according to voter registration records.
- 1157 (b) The request for consent described in Subsection (4)(a)(ii) shall include:
- 1158 (i) the purpose for the issuance of the bonds;
- 1159 (ii) the maximum principal amount of the bonds to be issued;
- 1160 (iii) the maximum tax rate proposed to be pledged for the repayment of the bonds;
- 1161 (iv) the words "For the issuance of bonds" and "Against the issuance of bonds," with
- 1162 appropriate boxes in which the voter may indicate the voter's choice; and
- 1163 (v) a return address and phone number where additional information may be obtained
- 1164 from the public infrastructure district.
- 1165 (c) Any registered voter who does not return the request for consent within 30 days of
- 1166 the day they are mailed to the voter is considered:
- 1167 (i) non-participatory in the request for consent; and
- 1168 (ii) shall not be included in a calculation to determine the percentage of registered
- 1169 voters who consent to the issuance of bonds.
- 1170 (d) If a majority of the registered voters who return the request for consent under this
- 1171 Subsection (4) indicate "For the issuance of bonds," or if no registered voters return
- 1172 the request for consent within the time frame described in Subsection (4)(c), the
- 1173 requirement described in Subsection (3)(a)(i)(B) is met.
- 1174 (e) Nothing in this Subsection (4):
- 1175 (i) prevents a public infrastructure district from obtaining the consent of registered
- 1176 voters for the issuance of a bond through another method; or
- 1177 (ii) shall be interpreted to affect or otherwise interfere with any consents of registered
- 1178 voters obtained before the effective date of this bill.
- 1179 (5) Nothing in this section shall be interpreted to:
- 1180 (a) prevent a public infrastructure district from withdrawing property from the public
- 1181 infrastructure district's boundaries where the property owners or registered voters
- 1182 associated with that property do not consent to the issuance of bonds or vote against
- 1183 the issuance of bonds; or

(b) require a public infrastructure district to withdraw property from the public infrastructure district's boundaries where the property owners or registered voters associated with that property do not consent to the issuance of bonds or vote against the issuance of bonds.

(6)(a) Beginning on the effective date of this bill, once consent or approval is obtained under Subsection (3)(a), the consent or approval is valid for a period of 10 years from the day on which the board:

(i) adopts a resolution or ordinance finding that the consent or approval is obtained; and

(ii) publishes a notice of the resolution or ordinance described in Subsection (6)(a)(i) as a class A notice under Section 63G-30-102 for at least 30 days.

(b) The tolling provisions of Section 11-14-301 apply during the 10-year period described in Subsection (6)(a).

(c) After a public infrastructure district obtains consent or approval under Subsection (3)(a), the public infrastructure district does not require any additional consent to or approval of the issuance of bonds, and the subsequent annexation of property to, or withdrawal of property from, the public infrastructure district does not impact:

(i) the validity of already obtained consent or approval;

(ii) the 10-year period described in Subsection (6)(a); or

(iii) any bond issued, or to be issued, pursuant to the consent or approval that was obtained under Subsection (3)(a).

(d) Subsection (6)(a) does not invalidate or alter any consent or approval, or finding of consent or approval, that occurred before the effective date of this bill.

(7)(a) [There-] Except as provided in Subsection (7)(b), there is no limitation on the duration of revenues that a public infrastructure district may receive to cover any shortfall in the payment of principal of and interest on a bond that the public infrastructure district issues.

(b) A public infrastructure governing document or bond documents may limit the duration of time described in Subsection (7)(a).

~~[(5)]~~ (8) Section 11-42-106 governs any action to challenge an assessment imposed by a public infrastructure district or any proceeding to designate an assessment area conducted by a public infrastructure district.

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

1218 ~~[(6)]~~ (10) ~~[The]~~ Notwithstanding any other provision, the board may~~[-]~~ directly or by
1219 resolution~~[-]~~ delegate to one or more officers of the public infrastructure district the
1220 authority to:

- 1221 (a) in accordance and within the parameters set forth in a resolution adopted in
1222 accordance with Section 11-14-302, approve the final interest rate, price, principal
1223 amount, maturity, redemption features, and other terms of the bond;
1224 (b) approve and execute any document or contract relating to the issuance of a bond; and
1225 (c) approve any contract related to the acquisition and construction of the improvements,
1226 facilities, or property to be financed with a bond.

1227 (11)(a) Subject to Subsection (11)(b), before a public infrastructure district may issue a
1228 limited tax bond or assessment bond, the public infrastructure district shall engage a
1229 municipal advisor who, in connection with the issuance of bonds, shall deliver a
1230 certificate stating that:

- 1231 (i) the municipal advisor qualifies to serve as a municipal advisor, as defined in
1232 Section 17D-4-102, including the basis for the municipal advisor's qualifications;
1233 (ii) the structure of the limited tax bond or assessment bond the public infrastructure
1234 district is about to issue is a reasonable structure, as of the date of the issuance of
1235 the limited tax bond or assessment bond, as applicable; and
1236 (iii) the interest rate of the limited tax bond or assessment bond the public
1237 infrastructure district is about to offer is a reasonable market rate, as of the date of
1238 the issuance of the limited tax bond or assessment bond, as applicable.

1239 (b) The provisions of this Subsection (11) do not apply to a public infrastructure district
1240 created by a development authority.

1241 ~~[(7)]~~ (12)(a) Any person may contest the legality of the issuance of a public
1242 infrastructure district bond or any provisions for the security and payment of the bond
1243 for a period of 30 days after:

- 1244 ~~(i) [publication of]~~ posting the resolution authorizing the bond as a class A notice
1245 under Section 63G-30-102; or
1246 ~~(ii) [publication of]~~ posting a notice of bond containing substantially the items
1247 required under Subsection 11-14-316(2) as a class A notice under Section
1248 63G-30-102.

1249 (b) After the 30-day period described in Subsection ~~[(7)(a)]~~ (12)(a), no person may bring
1250 a lawsuit or other proceeding contesting the regularity, formality, or legality of the
1251 bond for any reason.

- 1252 ~~[(8)]~~ (13)(a) In the event of any statutory change in the methodology of assessment or
 1253 collection of property taxes in a manner that reduces the amounts which are devoted
 1254 or pledged to the repayment of limited tax bonds, a public infrastructure district may
 1255 charge a rate sufficient to receive the amount of property taxes or assessment the
 1256 public infrastructure district would have received before the statutory change in order
 1257 to pay the debt service on outstanding limited tax bonds.
- 1258 (b) The rate increase described in Subsection ~~[(8)(a)]~~ (13)(a) may exceed the limit
 1259 described in Section 17D-4-303.
- 1260 (c) The public infrastructure district may charge the rate increase described in
 1261 Subsection ~~[(8)(a)]~~ (13)(a) until the bonds, including any associated refunding bonds,
 1262 or other securities, together with applicable interest, are fully met and discharged.
- 1263 ~~[(9)]~~ (14) No later than 60 days after the closing of any bonds by a public infrastructure
 1264 district created by a bonding political subdivision, as defined in Section 63C-25-101, the
 1265 public infrastructure district shall report the bond issuance, including the amount of the
 1266 bonds, terms, interest rate, and security, to:
- 1267 (a) the Executive Appropriations Committee; and
 1268 (b) the State Finance Review Commission created in Section 63C-25-201.
- 1269 Section 15. Section **17D-4-302** is amended to read:
- 1270 **17D-4-302 (Effective upon governor's approval). Fees.**
- 1271 (1) ~~[A]~~ In addition to any fees authorized by Title 17B, Chapter 1, Provisions Applicable
 1272 to All Special Districts, a public infrastructure district may charge a fee ~~[or other charge]~~
 1273 for an administrative service that the public infrastructure district provides, to pay some
 1274 or all of the public infrastructure district's:
- 1275 ~~[(1)]~~ (a) costs of acquiring, improving, or extending improvements, facilities, or
 1276 property; or
 1277 ~~[(2)]~~ (b) costs associated with the enforcement of a legal remedy.
- 1278 (2) The board of a public infrastructure district shall establish fees by a fee schedule in
 1279 ordinance or resolution.
- 1280 Section 16. Section **17D-4-303** is amended to read:
- 1281 **17D-4-303 (Effective upon governor's approval). Limits on public infrastructure**
 1282 **district property tax levy -- Notice requirements.**
- 1283 (1) The property tax levy of a public infrastructure district, for all purposes, including
 1284 payment of debt service on limited tax bonds, may not exceed .015 per dollar of taxable
 1285 value of taxable property in the district.

- (2) The limitation described in Subsection (1) does not apply to the levy by the public infrastructure district to pay principal of and interest on a general obligation bond that the public infrastructure district issues.
- (3)(a) Within 30 days after the day on which the lieutenant governor issues a certificate of incorporation for the public infrastructure district under Section 67-1a-6.5, the board shall record a notice with the recorder of the county in which property within the public infrastructure district is located.
- (b) The notice described in Subsection (3)(a) shall:
- (i) contain a description of the boundaries of the public infrastructure district;
 - (ii) state that a copy of the governing document is on file at the office of the creating entity;
 - (iii) state that the public infrastructure district may finance and repay infrastructure and other improvements through the levy of a property tax; and
 - (iv) state the maximum rate that the public infrastructure district may levy.
- (c) The effective date of the public infrastructure district for purposes of assessing property tax is the day on which the notice is recorded in the office of the recorder of each county in which the public infrastructure district is located, as described in Section 59-2-305.5.
- (4) If the board fails to record a notice as described in Subsection (3):
- (a) the public infrastructure district is still created as of the day the lieutenant governor issues a certificate of incorporation for the public infrastructure district;
 - (b) any bonds issued by the public infrastructure district are still valid; and
 - (c) the public infrastructure district may not levy a tax or levy or collect a fee until the board records the notice described in Subsection (3).
- Section 17. Section **17D-4-305** is amended to read:
- 17D-4-305 (Effective upon governor's approval). Action to contest tax, fee, or proceeding -- Requirements -- Exclusive remedy -- Bonds, taxes, and fees incontestable.**
- (1) A person who contests a tax or fee imposed by a public infrastructure district or any proceeding to create a public infrastructure district, levy a tax, or impose a fee may bring a civil action against the public infrastructure district or the creating entity to:
- (a) set aside the proceeding; or
 - (b) enjoin the levy, imposition, or collection of a tax or fee.
- (2) The person bringing an action described in Subsection (1):
- (a) notwithstanding Title 78B, Chapter 3a, Venue for Civil Actions, shall bring the

- 1320 action in the county in which the public infrastructure district is located if the person
1321 brings the action in the district court; and
- 1322 (b) may not bring the action against or serve a summons relating to the action on the
1323 public infrastructure district more than 30 days after the ~~[effective date of the]~~ day on
1324 which:
- 1325 (i) the creation of the public infrastructure district is effective, if the challenge is to
1326 the creation of the public infrastructure district;~~[-or]~~
- 1327 (ii) the board of the public infrastructure district adopts a resolution or ordinance
1328 establishing a tax or fee, if the challenge is to a tax or fee~~[-]~~ ; or
- 1329 (iii) the board of the public infrastructure district adopts a resolution or ordinance
1330 annexing property to, or withdrawing property from, the public infrastructure
1331 district, if the challenge is to an annexation or withdrawal.
- 1332 (3) An action under Subsection (1) is the exclusive remedy of a person who:
- 1333 (a) claims an error or irregularity in a tax or fee or in any proceeding to create a public
1334 infrastructure district, levy a tax, or impose a fee; or
- 1335 (b) challenges a bondholder's right to repayment.
- 1336 (4) After the expiration of the 30-day period described in Subsection (2)(b):
- 1337 (a) a bond issued or to be issued with respect to a public infrastructure district and any
1338 tax levied or fee imposed becomes incontestable against any person who has not
1339 brought an action and served a summons in accordance with this section;
- 1340 (b) a person may not bring a suit to:
- 1341 (i) enjoin the issuance or payment of a bond or the levy, imposition, collection, or
1342 enforcement of a tax or fee; or
- 1343 (ii) attack or question in any way the legality of a bond, tax, or fee; and
- 1344 (c) a court may not inquire into the matters described in Subsection (4)(b).
- 1345 (5)(a) This section does not insulate a public infrastructure district from a claim of
1346 misuse of funds after the expiration of the 30-day period described in Subsection
1347 (2)(b).
- 1348 (b)(i) Except as provided in Subsection (5)(b)(ii), an action in the nature of
1349 mandamus is the sole form of relief available to a party challenging the misuse of
1350 funds.
- 1351 (ii) The limitation in Subsection (5)(b)(i) does not prohibit the filing of criminal
1352 charges against or the prosecution of a party for the misuse of funds.
- 1353 (6) If there is a conflict between a provision in Section 17D-4-301 and a provision in this

1354 section, the provision in Section 17D-4-301 supersedes the conflicting provision in this
1355 section.

1356 Section 18. Section **67-1a-6.5** is amended to read:

1357 **67-1a-6.5 (Effective upon governor's approval). Certification of local entity**
1358 **boundary actions -- Definitions -- Notice requirements -- Electronic copies -- Filing.**

1359 (1) As used in this section:

1360 (a) "Applicable certificate" means:

1361 (i) for the impending incorporation of a city, town, special district, conservation
1362 district, ~~or~~ incorporation of a special district from a reorganized special service
1363 district, or public infrastructure district, a certificate of incorporation;

1364 (ii) for the impending creation of a county, school district, special service district,
1365 community reinvestment agency, or interlocal entity, a certificate of creation;

1366 (iii) for the impending annexation of territory to an existing local entity, a certificate
1367 of annexation;

1368 (iv) for the impending withdrawal or disconnection of territory from an existing local
1369 entity, a certificate of withdrawal or disconnection, respectively;

1370 (v) for the impending consolidation of multiple local entities, a certificate of
1371 consolidation;

1372 (vi) for the impending division of a local entity into multiple local entities, a
1373 certificate of division;

1374 (vii) for the impending adjustment of a common boundary between local entities, a
1375 certificate of boundary adjustment; and

1376 (viii) for the impending dissolution of a local entity, a certificate of dissolution.

1377 (b) "Approved final local entity plat" means a final local entity plat, as defined in
1378 Section 17-23-20, that has been approved under Section 17-23-20 as a final local
1379 entity plat by the county surveyor.

1380 (c) "Approving authority" has the same meaning as defined in Section 17-23-20.

1381 (d) "Boundary action" has the same meaning as defined in Section 17-23-20.

1382 (e) "Center" means the Utah Geospatial Resource Center created under Section
1383 63A-16-505.

1384 (f) "Community reinvestment agency" has the same meaning as defined in Section
1385 17C-1-102.

1386 (g) "Conservation district" has the same meaning as defined in Section 17D-3-102.

1387 (h) "Interlocal entity" has the same meaning as defined in Section 11-13-103.

- 1388 (i) "Local entity" means a county, city, town, school district, special district, community
1389 reinvestment agency, special service district, conservation district, or interlocal entity.
- 1390 (j) "Notice of an impending boundary action" means a written notice, as described in
1391 Subsection (3), that provides notice of an impending boundary action.
- 1392 (k) "Special district" means the same as that term is defined in Section 17B-1-102.
- 1393 (l) "Special service district" means the same as that term is defined in Section 17D-1-102.
- 1394 (2) Within 10 days after receiving a notice of an impending boundary action, the lieutenant
1395 governor shall:
- 1396 (a)(i) issue the applicable certificate, if:
- 1397 (A) the lieutenant governor determines that the notice of an impending boundary
1398 action meets the requirements of Subsection (3); and
- 1399 (B) except in the case of an impending local entity dissolution, the notice of an
1400 impending boundary action is accompanied by an approved final local entity
1401 plat;
- 1402 (ii) send the applicable certificate to the local entity's approving authority;
- 1403 (iii) return the original of the approved final local entity plat to the local entity's
1404 approving authority;
- 1405 (iv) send a copy of the applicable certificate and approved final local entity plat to:
- 1406 (A) the State Tax Commission;
- 1407 (B) the center; and
- 1408 (C) the county assessor, county surveyor, county auditor, and county attorney of
1409 each county in which the property depicted on the approved final local entity
1410 plat is located; and
- 1411 (v) send a copy of the applicable certificate to the state auditor, if the boundary action
1412 that is the subject of the applicable certificate is:
- 1413 (A) the incorporation or creation of a new local entity;
- 1414 (B) the consolidation of multiple local entities;
- 1415 (C) the division of a local entity into multiple local entities; or
- 1416 (D) the dissolution of a local entity; or
- 1417 (b)(i) send written notification to the approving authority that the lieutenant governor
1418 is unable to issue the applicable certificate, if:
- 1419 (A) the lieutenant governor determines that the notice of an impending boundary
1420 action does not meet the requirements of Subsection (3); or
- 1421 (B) the notice of an impending boundary action is:

- 1422 (I) not accompanied by an approved final local entity plat; or
1423 (II) accompanied by a plat or final local entity plat that has not been approved
1424 as a final local entity plat by the county surveyor under Section 17-23-20;
1425 and
1426 (ii) explain in the notification under Subsection (2)(b)(i) why the lieutenant governor
1427 is unable to issue the applicable certificate.
- 1428 (3) Each notice of an impending boundary action shall:
- 1429 (a) be directed to the lieutenant governor;
- 1430 (b) contain the name of the local entity or, in the case of an incorporation or creation,
1431 future local entity, whose boundary is affected or established by the boundary action;
- 1432 (c) describe the type of boundary action for which an applicable certificate is sought;
- 1433 (d) be accompanied by a letter from the Utah State Retirement Office, created under
1434 Section 49-11-201, to the approving authority that identifies the potential provisions
1435 under Title 49, Utah State Retirement and Insurance Benefit Act, that the local entity
1436 shall comply with, related to the boundary action, if the boundary action is an
1437 impending incorporation or creation of a local entity that may result in the
1438 employment of personnel; and
- 1439 (e)(i) contain a statement, signed and verified by the approving authority, certifying
1440 that all requirements applicable to the boundary action have been met; or
1441 (ii) in the case of the dissolution of a municipality, be accompanied by a certified
1442 copy of the court order approving the dissolution of the municipality.
- 1443 (4) The lieutenant governor may require the approving authority to submit a paper or
1444 electronic copy of a notice of an impending boundary action and approved final local
1445 entity plat in conjunction with the filing of the original of those documents.
- 1446 (5)(a) The lieutenant governor shall:
- 1447 (i) keep, index, maintain, and make available to the public each notice of an
1448 impending boundary action, approved final local entity plat, applicable certificate,
1449 and other document that the lieutenant governor receives or generates under this
1450 section;
- 1451 (ii) make a copy of each document listed in Subsection (5)(a)(i) available on the
1452 Internet for 12 months after the lieutenant governor receives or generates the
1453 document;
- 1454 (iii) furnish a paper copy of any of the documents listed in Subsection (5)(a)(i) to any
1455 person who requests a paper copy; and

1456 (iv) furnish a certified copy of any of the documents listed in Subsection (5)(a)(i) to
1457 any person who requests a certified copy.

1458 (b) The lieutenant governor may charge a reasonable fee for a paper copy or certified
1459 copy of a document that the lieutenant governor provides under this Subsection (5).

1460 (6) The lieutenant governor's issuance of a certificate of creation for an infrastructure
1461 financing district constitutes the state's approval of the creation of the infrastructure
1462 financing district.

1463 Section 19. **Effective Date.**

1464 This bill takes effect:

1465 (1) except as provided in Subsection (2), May 7, 2025; or

1466 (2) if approved by two-thirds of all members elected to each house:

1467 (a) upon approval by the governor;

1468 (b) without the governor's signature, the day following the constitutional time limit of
1469 Utah Constitution, Article VII, Section 8; or

1470 (c) in the case of a veto, the date of veto override.