

SB0241S02 compared with SB0241S01

~~{Omitted text}~~ shows text that was in SB0241S01 but was omitted in SB0241S02
inserted text shows text that was not in SB0241S01 but was inserted into SB0241S02

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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 the School and Institutional Trust Lands Administration 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;

SB0241S01

SB0241S01 compared with SB0241S02

19 ▸ modifies provisions related to the appointment or election of board members for a public
infrastructure district;

21 ▸ modifies provisions related to the annexation of property to, or withdrawal of property from, a
public infrastructure district;

23 ▸ 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;

27 ▸ modifies the process for a public infrastructure district to issue a bond; and

28 ▸ makes technical and conforming changes.

27 **Money Appropriated in this Bill:**

28 None

29 **Other Special Clauses:**

30 This bill provides a special effective date.

32 **AMENDS:**

33 **11-42-106 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024, Chapter
388 (**Effective upon governor's approval**), as last amended by Laws of Utah 2024, Chapter 388

35 **11-42-408** ~~{(Effective upon governor's approval)}~~(Effective 03/28/17) (Effective upon
governor's approval), as last amended by Laws of Utah 2017, Chapter 470 ~~{(Effective upon~~
governor's approval)}(Effective 03/28/17) (Effective upon governor's approval), as last
amended by Laws of Utah 2017, Chapter 470

37 **11-42a-102 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024,
Chapters 42, 53 and 438 (**Effective upon governor's approval**), as last amended by Laws of Utah
2024, Chapters 42, 53 and 438

39 **17B-1-304 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023,
Chapters 15, 435 (**Effective upon governor's approval**), as last amended by Laws of Utah 2023,
Chapters 15, 435

41 **17B-1-1102 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023,
Chapter 15 (**Effective upon governor's approval**), as last amended by Laws of Utah 2023,
Chapter 15

43 **17D-4-102 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024, Chapter
419 (**Effective upon governor's approval**), as last amended by Laws of Utah 2024, Chapter 419

SB0241S01 compared with SB0241S02

45 **17D-4-103 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023, Chapter
15 **(Effective upon governor's approval)**, as last amended by Laws of Utah 2023, Chapter 15

47 **17D-4-201 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023,
Chapters 12, 15 and 259 **(Effective upon governor's approval)**, as last amended by Laws of Utah
2023, Chapters 12, 15 and 259

49 **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 **(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

51 **17D-4-203 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023,
Chapters 15, 259 **(Effective upon governor's approval)**, as last amended by Laws of Utah 2023,
Chapters 15, 259

53 **17D-4-204 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023, Chapter
15 **(Effective upon governor's approval)**, as last amended by Laws of Utah 2023, Chapter 15

55 **17D-4-301 (Effective upon governor's approval)**, as last amended by Laws of Utah 2023,
Chapters 15, 139 **(Effective upon governor's approval)**, as last amended by Laws of Utah 2023,
Chapters 15, 139

57 **17D-4-302 (Effective upon governor's approval)**, as renumbered and amended by Laws of Utah
2021, Chapter 314 **(Effective upon governor's approval)**, as renumbered and amended by Laws of
Utah 2021, Chapter 314

59 **17D-4-303 (Effective upon governor's approval)**, as renumbered and amended by Laws of Utah
2021, Chapter 314 **(Effective upon governor's approval)**, as renumbered and amended by Laws of
Utah 2021, Chapter 314

61 **17D-4-305 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024, Chapter
158 **(Effective upon governor's approval)**, as last amended by Laws of Utah 2024, Chapter 158

65 ~~**{53C-1-201 (Effective upon governor's approval), as last amended by Laws of Utah 2021,
Chapter 344 (Effective upon governor's approval), as last amended by Laws of Utah 2021,
Chapter 344}**~~

63 **67-1a-6.5 (Effective upon governor's approval)**, as last amended by Laws of Utah 2024, Chapter
388 **(Effective upon governor's approval)**, as last amended by Laws of Utah 2024, Chapter 388

65 ENACTS:

SB0241S01 compared with SB0241S02

66 **17B-1-1404 (Effective upon governor's approval), Utah Code Annotated 1953 (Effective upon**
67 **governor's approval), Utah Code Annotated 1953**

67 **17D-4-104 (Effective upon governor's approval), Utah Code Annotated 1953 (Effective upon**
68 **governor's approval), Utah Code Annotated 1953**

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

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

71 **11-42-106. Action to contest assessment or proceeding -- Requirements -- Exclusive remedy**
-- Bonds and assessment incontestable.

77 (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:

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

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

81 (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.

83 (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:

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

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

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

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

92 (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

SB0241S01 compared with SB0241S02

(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.

(3)

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

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

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

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

(c)

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

(ii) In an action brought pursuant to Subsection (1), a person may not contest a previous decision, proceeding, or determination for which the service deadline described in Subsection (2)(b) has expired by challenging a subsequent decision, proceeding, or determination.

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

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

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

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

(6)

SB0241S01 compared with SB0241S02

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

(b)

(i) Except as provided in Subsection (6)(b)(ii), an action in the nature of mandamus is the sole form of relief available to a party challenging the misuse of 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)}~~(Effective 03/28/17) (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

SB0241S01 compared with SB0241S02

(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. 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

SB0241S01 compared with SB0241S02

(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 for other renewable energy systems that are not funded under this chapter; or

(iii) is a biofuel system.

(7)

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

(i) commercial;

(ii) mining;

(iii) agricultural;

(iv) industrial;

(v) manufacturing;

(vi) trade;

(vii) professional;

(viii) a private or public club;

(ix) a lodge;

(x) a business; or

(xi) a similar purpose.

(b) "Commercial or industrial real property" includes:

(i) private real property that is used as or held for dwelling purposes and contains:

SB0241S01 compared with SB0241S02

- 220 (A) more than four rental units; or
- 221 (B) one or more owner-occupied or rental condominium units affiliated with a hotel; and
- 223 (ii) real property owned by:
- 224 (A) the military installation development authority, created in Section 63H-1-201; or
- 226 (B) the Utah Inland Port Authority, created in Section 11-58-201.
- 227 (8) "Contract price" means:
- 228 (a) up to 100% of the cost of installing, acquiring, refinancing, or reimbursing for an improvement, as
determined by the owner of the property benefitting from the improvement; or
- 231 (b) the amount payable to one or more contractors for the assessment, design, engineering, inspection,
and construction of an improvement.
- 233 (9) "C-PACE" means commercial property assessed clean energy.
- 234 (10) "C-PACE district" means the statewide authority established in Section 11-42a-106 to implement
the C-PACE Act in collaboration with governing bodies, under the direction of OED.
- 237 (11) "Electric vehicle charging infrastructure" means equipment that is:
- 238 (a) permanently affixed to commercial or industrial real property; and
- 239 (b) designed to deliver electric energy to a qualifying electric vehicle or a qualifying plug-in hybrid
vehicle.
- 241 (12) "Energy assessment area" means an area:
- 242 (a) within the jurisdictional boundaries of a local entity that approves an energy assessment area or,
if the C-PACE district or a state interlocal entity levies the assessment, the C-PACE district or the
state interlocal entity;
- 245 (b) containing only the commercial or industrial real property of owners who have voluntarily
consented to an assessment under this chapter for the purpose of financing the costs of
improvements that benefit property within the energy assessment area; and
- 249 (c) in which the proposed benefitted properties in the area are:
- 250 (i) contiguous; or
- 251 (ii) located on one or more contiguous or adjacent tracts of land that would be contiguous or adjacent
property but for an intervening right-of-way, including a sidewalk, street, road, fixed guideway, or
waterway.
- 254 (13) "Energy assessment bond" means a bond:
- 255 (a) issued under Section 11-42a-401; and

SB0241S01 compared with SB0241S02

- 256 (b) payable in part or in whole from assessments levied in an energy assessment area.
- 257 (14) "Energy assessment lien" means a lien on property within an energy assessment area that arises
from the levy of an assessment in accordance with Section 11-42a-301.
- 259 (15) "Energy assessment ordinance" means an ordinance that a local entity adopts under Section
11-42a-201 that:
- 261 (a) designates an energy assessment area;
- 262 (b) levies an assessment on benefitted property within the energy assessment area; and
- 263 (c) if applicable, authorizes the issuance of energy assessment bonds.
- 264 (16) "Energy assessment resolution" means one or more resolutions adopted by a local entity under
Section 11-42a-201 that:
- 266 (a) designates an energy assessment area;
- 267 (b) levies an assessment on benefitted property within the energy assessment area; and
- 268 (c) if applicable, authorizes the issuance of energy assessment bonds.
- 269 (17) "Energy efficiency upgrade" means an improvement that is:
- 270 (a) permanently affixed to commercial or industrial real property; and
- 271 (b) designed to reduce energy or water consumption, including:
- 272 (i) insulation in:
- 273 (A) a wall, roof, floor, or foundation; or
- 274 (B) a heating and cooling distribution system;
- 275 (ii) a window or door, including:
- 276 (A) a storm window or door;
- 277 (B) a multiglazed window or door;
- 278 (C) a heat-absorbing window or door;
- 279 (D) a heat-reflective glazed and coated window or door;
- 280 (E) additional window or door glazing;
- 281 (F) a window or door with reduced glass area; or
- 282 (G) other window or door modifications;
- 283 (iii) an automatic energy control system;
- 284 (iv) in a building or a central plant, a heating, ventilation, or air conditioning and distribution system;
- 286 (v) caulk or weatherstripping;
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SB0241S01 compared with SB0241S02

- (vi) a light fixture that does not increase the overall illumination of a building, unless an increase is necessary to conform with the applicable building code;
 - (vii) an energy recovery system;
 - (viii) a daylighting system;
 - (ix) measures to reduce the consumption of water, through conservation or more efficient use of water, including installation of:
 - (A) low-flow toilets and showerheads;
 - (B) timer or timing systems for a hot water heater; or
 - (C) rain catchment systems;
 - (x) a modified, installed, or remodeled fixture that is approved as a utility cost-saving measure by the governing body or executive of a local entity;
 - (xi) measures or other improvements to effect seismic upgrades;
 - (xii) structures, measures, or other improvements to provide automated parking or parking that reduces land use;
 - (xiii) the extension of an existing natural gas distribution company line;
 - (xiv) an energy efficient elevator, escalator, or other vertical transport device;
 - (xv) any other improvement that the governing body or executive of a local entity approves as an energy efficiency upgrade; or
 - (xvi) any improvement that relates physically or functionally to any of the improvements listed in Subsections (17)(b)(i) through (xv).
- (18) "Energy system" means a product, system, device, or interacting group of devices that:
- (a) produces or stores energy; and
 - (b) is permanently affixed to commercial or industrial real property not located in the certified service area of a distribution electrical cooperative, as defined in Section 54-2-1.
- (19) "Governing body" means:
- (a) for a county, city, or town, the legislative body of the county, city, or town;
 - (b) for a special district, the board of trustees of the special district;
 - (c) for a special service district:
 - (i) if no administrative control board has been appointed under Section 17D-1-301, the legislative body of the county, city, town, or metro township that established the special service district; or

SB0241S01 compared with SB0241S02

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

(d) for a public infrastructure district, the board of the public infrastructure district;

~~[(d)]~~ (e) for the military installation development authority created in Section 63H-1-201, the board, as that term is defined in Section 63H-1-102; and

~~[(e)]~~ (f) for the Utah Inland Port Authority, created in Section 11-58-201, the board, as defined in Section 11-58-102.

(20) "Improvement" means a publicly or privately owned energy efficiency upgrade, clean energy system, or electric vehicle charging infrastructure that:

(a) a property owner has requested; or

(b) has been or is being installed on a property for the benefit of the property owner.

(21) "Incidental refunding costs" means any costs of issuing a refunding assessment bond and calling, retiring, or paying prior bonds, including:

(a) legal and accounting fees;

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

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

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

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

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

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

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

(23) "Jurisdictional boundaries" means:

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

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

(24)

(a) "Local entity" means:

SB0241S01 compared with SB0241S02

- 349 (i) a county, city, or town;
- 350 (ii) a special service district, a special district, or an interlocal entity as that term is defined in
Section 11-13-103;
- 352 (iii) a public infrastructure district, created under Title 17D, Chapter 4, Public Infrastructure District
Act;
- 354 [~~(iii)~~] (iv) a state interlocal entity;
- 355 [~~(iv)~~] (v) the military installation development authority, created in Section 63H-1-201;
- 356 [~~(v)~~] (vi) the Utah Inland Port Authority, created in Section 11-58-201; or
- 357 [~~(vi)~~] (vii) any political subdivision of the state.
- 358 (b) "Local entity" includes the C-PACE district solely in connection with:
- 359 (i) the designation of an energy assessment area;
- 360 (ii) the levying of an assessment; and
- 361 (iii) the assignment of an energy assessment lien to a third-party lender under Section 11-42a-302.
- 363 (25) "Local entity obligations" means energy assessment bonds and refunding assessment bonds that a
local entity issues.
- 365 (26) "OED" means the Office of Energy Development created in Section 79-6-401.
- 366 (27) "OEM vehicle" means the same as that term is defined in Section 19-1-402.
- 367 (28) "Overhead costs" means the actual costs incurred or the estimated costs to be incurred in
connection with an energy assessment area, including:
- 369 (a) appraisals, legal fees, filing fees, facilitation fees, and financial advisory charges;
- 370 (b) underwriting fees, placement fees, escrow fees, trustee fees, and paying agent fees;
- 371 (c) publishing and mailing costs;
- 372 (d) costs of levying an assessment;
- 373 (e) recording costs; and
- 374 (f) all other incidental costs.
- 375 (29) "Parameters resolution" means a resolution or ordinance that a local entity adopts in accordance
with Section 11-42a-201.
- 377 (30) "Prior bonds" means the energy assessment bonds refunded in part or in whole by a refunding
assessment bond.
- 379 (31) "Prior energy assessment ordinance" means the ordinance levying the assessments from which the
prior bonds are payable.

SB0241S01 compared with SB0241S02

- 381 (32) "Prior energy assessment resolution" means the resolution levying the assessments from which the
prior bonds are payable.
- 383 (33) "Property" includes real property and any interest in real property, including water rights and
leasehold rights.
- 385 (34) "Public electrical utility" means a large-scale electric utility as that term is defined in Section
54-2-1.
- 387 (35) "Qualifying electric vehicle" means a vehicle that:
- 388 (a) meets air quality standards;
- 389 (b) is not fueled by natural gas;
- 390 (c) draws propulsion energy from a battery with at least 10 kilowatt hours of capacity; and
- 392 (d) is an OEM vehicle except that the vehicle is fueled by a fuel described in Subsection (35)(c).
- 394 (36) "Qualifying plug-in hybrid vehicle" means a vehicle that:
- 395 (a) meets air quality standards;
- 396 (b) is not fueled by natural gas or propane;
- 397 (c) has a battery capacity that meets or exceeds the battery capacity described in Subsection 30D(b)(3),
Internal Revenue Code; and
- 399 (d) is fueled by a combination of electricity and:
- 400 (i) diesel fuel;
- 401 (ii) gasoline; or
- 402 (iii) a mixture of gasoline and ethanol.
- 403 (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.
- 407 (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.
- 409 (39) "Special district" means a special district under Title 17B, Limited Purpose Local Government
Entities - Special Districts.
- 411 (40) "Special service district" means the same as that term is defined in Section 17D-1-102.
- 412 (41) "State interlocal entity" means:
- 413

SB0241S01 compared with SB0241S02

(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. 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.

(3)

(a) After the appointing authority is notified of a vacancy and has satisfied the requirements described in Subsection (2), the appointing authority shall select a person to fill the vacancy from the applicants who meet the qualifications established by law.

(b) The appointing authority shall:

(i) comply with Title 52, Chapter 4, Open and Public Meetings Act, in making the appointment;

SB0241S01 compared with SB0241S02

- 447 (ii) allow any interested persons to be heard; and
448 (iii) adopt a resolution appointing a person to the special district board.
- 449 (c) If no candidate for appointment to fill the vacancy receives a majority vote of the appointing
authority, the appointing authority shall select the appointee from the two top candidates by lot.
- 452 (4) Persons appointed to serve as members of the special district board serve four-year terms, but may
be removed for cause at any time after a hearing by two-thirds vote of the appointing body.
- 455 (5)
(a) At the end of each board member's term, the position is considered vacant, and, after following the
appointment procedures established in this section, the appointing authority may either reappoint the
incumbent board member or appoint a new member.
- 459 (b) Notwithstanding Subsection (5)(a), a board member may continue to serve until a successor is
elected or appointed and qualified in accordance with Subsection 17B-1-303(2)(b).
- 462 (6) Notwithstanding any other provision of this section, if the appointing authority appoints one of its
own members and that member meets all applicable statutory board member qualifications, the
appointing authority need not comply with Subsection (2) or (3).
- 465 (7)
(a) This section does not apply to the appointment of a member of a public infrastructure district board.
- 467 (b) Section 17D-4-202 governs the appointment process for a member of the board of a public
infrastructure district.
- 465 Section 5. Section **17B-1-1102** is amended to read:
466 **17B-1-1102. General obligation bonds.**
- 471 (1) Except as provided in Subsections (3) and (7), if a district intends to issue general obligation bonds,
the district shall first obtain the approval of district voters for issuance of the bonds at an election
held for that purpose as provided in Title 11, Chapter 14, Local Government Bonding Act.
- 475 (2) General obligation bonds shall be secured by a pledge of the full faith and credit of the district,
subject to, for a water conservancy district, the property tax levy limits of Section 17B-2a-1006.
- 478 (3) A district may issue refunding general obligation bonds, as provided in Title 11, Chapter 27, Utah
Refunding Bond Act, without obtaining voter approval.
- 480 (4)
(a) A special district may not issue general obligation bonds if the issuance of the bonds will cause the
outstanding principal amount of all of the district's general obligation bonds to exceed the amount

SB0241S01 compared with SB0241S02

that results from multiplying the fair market value of the taxable property within the district, as determined under Subsection 11-14-301(3)(b), by a number that is:

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

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

(iii) .002, for a drainage district;

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

(v) .024, for an improvement district;

(vi) .1, for an irrigation district;

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

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

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

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

(xi) .05 for a municipal services district.

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

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

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

(7)

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

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

(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

SB0241S01 compared with SB0241S02

(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

SB0241S01 compared with SB0241S02

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 6 is enacted to read:

**17B-1-1404. Basic special district authorized to create a public infrastructure district --
Basic special district authorized to fund certain projects and services.**

(1)

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

~~{(a)}~~ (i) created before April 15, 2011; ~~{and}~~

~~{(b)}~~ (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.

SB0241S01 compared with SB0241S02

574 (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.

578 (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.

581 (3) When a public infrastructure district is created pursuant to this section:

582 (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

584 (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.

587 (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.

592 (5) In addition to the other powers described in this part, an eligible basic special district may:

594 (a) fund, in whole or in part, the acquisition and construction of a public facility for use by one or more government entities;

596 (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

599 (c) fund, in whole or in part, the acquisition or construction of:

600 (i) privately owned affordable housing, consisting of single-family dwellings or townhomes;

602 (ii) facilities for health care, recreation, community arts, or an amphitheater, whether those facilities are publicly or privately owned; and

604 (iii) a privately owned grocery store, if there is not a grocery store located within the eligible basic special district's boundary.

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

606 **17D-4-102. Definitions.**

SB0241S01 compared with SB0241S02

As used in this chapter:

- 609 (1) "Board" means the board of trustees of a public infrastructure district.
- 610 (2) "Creating entity" means the county, municipality, basic special district, or development authority
that approves the creation of a public infrastructure district.
- 612 (3) "Development authority" means:
- 613 (a) the Utah Inland Port Authority created in Section 11-58-201;
- 614 (b) the Point of the Mountain State Land Authority created in Section 11-59-201;
- 615 (c) the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201; {for}
- 617 (d) the military installation development authority created in Section 63H-1-201{.} {;or}
- 618 {(e)} ~~School and Institutional Trust Lands Administration created in Section 53C-1-201.~~
- 619 (4) "District applicant" means the person proposing the creation of a public infrastructure district.
- 621 (5) "Division" means a division of a public infrastructure district:
- 622 (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
- 626 (b) which a member of the board represents.
- 627 (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.
- 631 (7)
- (a) "Limited tax bond" means a bond:
- 632 (i) that is directly payable from and secured by ad valorem property taxes that are levied:
- 634 (A) by a public infrastructure district that issues the bond; and
- 635 (B) on taxable property within the district;
- 636 (ii) that is a general obligation of the public infrastructure district; and
- 637 (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).
- 640 (b) "Limited tax bond" does not include:

SB0241S01 compared with SB0241S02

- 641 (i) a short-term bond;
642 (ii) a tax and revenue anticipation bond; or
643 (iii) a special assessment bond.
644 (8)
- (a) "Municipal advisor" means a person that:
- 645 (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;
- 649 (ii) is qualified to provide the advice described in Subsection (8)(a)(i);
- 650 (iii) is not an officer or employee of the political subdivision receiving advice;
- 651 (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
- 653 (v) has experience doing business related to the issuance of bonds in the state.
- 654 (b) "Municipal advisor" may include:
- 655 (i) an individual who meets the description in Subsection (8)(a); or
- 656 (ii) a firm of individuals who collectively meet the description in Subsection (8)(a).
- 657 (9)
- (a) "Public infrastructure and improvements" means:
- 658 (i) infrastructure, utilities, improvements, facilities, buildings, or remediation that:
- 659 (A) benefit the public and are owned by a public entity or a public or private utility;
- 661 (B) benefit the public and are publicly maintained or operated by a public entity; or
- 662 (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
- 666 (ii) publicly or privately owned roads, rights-of-way, trails, parking, or parking structures.
- 668 (b) "Public infrastructure and improvements" also means:
- 669 [(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;
- 672 [(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]

SB0241S01 compared with SB0241S02

- 675 ~~[(e)]~~ (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~~[-]~~ ;
- 678 (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
- 681 (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.
- 685 (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.
- 688 (b) "Tax increment revenue" includes any concept substantially the same as the definition in Subsection
(10)(a), regardless of the name of the concept.
- 688 Section 8. Section **17D-4-103** is amended to read:
- 689 **17D-4-103. Provisions applicable to public infrastructure districts.**
- 693 (1) A public infrastructure district:
- 694 (a) is a body corporate and politic with perpetual succession;
- 695 (b) is a quasi-municipal corporation;
- 696 (c) is a political subdivision of the state;
- 697 (d) is separate and distinct from, and independent of, any other public entity or political subdivision of
the state; and
- 699 (e) may sue and be sued.
- 700 (2) Each public infrastructure district is governed by and has the powers stated in:
- 701 (a) this chapter; and
- 702 (b) Title 17B, Chapter 1, Provisions Applicable to All Special Districts.
- 703 ~~[(2)]~~ (3) This chapter applies only to a public infrastructure district.
- 704 ~~[(3)]~~ (4) Except as modified or exempted by this chapter, a public infrastructure district is~~[-]~~ ;
- 705 (a) to the same extent as if the public infrastructure district were a special district, subject to the
provisions in:
- 707 ~~[(a)]~~ (i) Title 17B, Chapter 1, Provisions Applicable to All Special Districts; and
- 708 ~~[(b)]~~ (ii) Title 20A, Election Code~~[-]~~ ; and

SB0241S01 compared with SB0241S02

- 709 (b) subject to the provisions in Title 11, Chapter 42a, Commercial Property Assessed Clean Energy Act.
711 [(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.
- 715 [(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.
- 716 Section 9. Section **9** is enacted to read:
717 **17D-4-104. 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:
- 726 (1) an easement;
727 (2) a right-of-way; or
728 (3) a public improvement, utility improvement, or related improvement.
- 727 Section 10. Section **17D-4-201** is amended to read:
728 **17D-4-201. Creation -- Annexation or withdrawal of property.**
732 (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[:]
736 [(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]~~
739 [(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.
- 742 (b)
(i) As used in this Subsection (1)(b):

SB0241S01 compared with SB0241S02

- 743 (A) "Military [~~Land~~] land" means the same as that term is defined in Section 63H-1-102.
- 745 (B) "Project area" means the same as that term is defined in Section 63H-1-102.
- 746 (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.
- 751 (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.
- 755 (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.
- 758 (2)
- (a) The following do not apply to the creation of a public infrastructure district:
- 759 (i) Section 17B-1-203;
- 760 (ii) Section 17B-1-204;
- 761 (iii) Subsection 17B-1-208(2);
- 762 (iv) Section 17B-1-212; or
- 763 (v) Section 17B-1-214.
- 764 (b) The protest period described in Section 17B-1-213 may be waived in whole or in part with the consent of[:]
- 766 ~~[(i) 100% of registered voters within the applicable area approving the creation of the public infrastructure district; and]~~
- 768 ~~[(ii)]~~ 100% of the surface property owners within the applicable area approving the creation of the public infrastructure district.
- 770 (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).
- 773 (d) A petition meeting the requirements of Subsection (1)[:]
- 774 ~~[(i)]~~ may be certified under Section 17B-1-209[;and] .
- 775 ~~[(ii) shall be filed with the lieutenant governor in accordance with Subsection 17B-1-215(1)(b)(iii).]~~
- 777

SB0241S01 compared with SB0241S02

(e) Notwithstanding Subsection 17B-1-215(1)(b), the district applicant shall file the items required by Subsection 17B-1-215(1)(a) with the lieutenant governor within 30 days of the day on which a resolution creating a public infrastructure district is adopted.

(3)

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

[{i}] (a)

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

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

[{ii}] ~~if there are any registered voters within the area proposed to be annexed, 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 annexation into the public infrastructure district; and]~~

[{iii}] (b) 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 annexed, demonstrating the surface property owners' consent to the annexation into the public infrastructure district.

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

[{i}] ~~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]~~

[{ii}] ~~a copy of an approved final local entity plat, as defined in Section 67-1a-6.5.]~~

(4)

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

(i)

SB0241S01 compared with SB0241S02

- (A) adoption of resolutions of the board and the creating entity, each approving of the withdrawal; or
- 807 (B) adoption of a resolution of the board to withdraw the property, provided that the governing document or creation resolution for the public infrastructure district authorizes the board to withdraw property from the public infrastructure district without further consent from the creating entity; and
- 811 ~~[(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]~~
- 815 ~~[(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.
- 819 (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.
- 823 (c) Upon meeting the requirements of ~~[Subsections]~~ Subsection (3) or (4)(a)~~[and (b)]~~, the board shall:
- 825 (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:
- 827 (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
- 829 (B) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5; and
- 831 (ii) comply with the requirements of Section 17B-1-512, except:
- 832 (A) Subsections 17B-1-512(1)(b) and (c) do not apply; and
- 833 (B) the time periods described in this section govern.
- 834 (5) A creating entity may impose limitations on the powers of a public infrastructure district through the governing document.
- 836 (6)
- (a) A public infrastructure district is separate and distinct from the creating entity.
- 837 (b)

SB0241S01 compared with SB0241S02

(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

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

(iii) Nothing in this Subsection (6) precludes a public infrastructure district from qualifying directly for an impact fee offset, credit, or refund under Title 11, Chapter 36a, Impact Fees Act, regarding any qualifying system improvements financed by the public infrastructure district.

(c) Any liability, judgment, or claim against a public infrastructure district:

(i) is the sole responsibility of the public infrastructure district; and

(ii) does not constitute a liability, judgment, or claim against the creating entity, the state, or any municipality, county, or other political subdivision.

(d)

(i)

(A) The public infrastructure district solely bears the responsibility of any collection, enforcement, or foreclosure proceeding with regard to any [tax,]fee[;] or assessment the public infrastructure district imposes.

(B) The creating entity does not bear the responsibility described in Subsection (6)(d)(i)(A).

(ii) A public infrastructure district, and not the creating entity, shall undertake the enforcement responsibility described in, as applicable, Subsection (6)(d)(i) in accordance with [~~Title 59, Chapter 2, Property Tax Act, or~~]Title 11, Chapter 42, Assessment Area Act.

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

(a) historical performance of the district applicant;

(b) compliance with the creating entity's master plan;

(c) credit worthiness of the district applicant;

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

(e) proposed development within the public infrastructure district.

SB0241S01 compared with SB0241S02

872 (8)

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

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

875 Section 11. Section **17D-4-202** is amended to read:

876 **17D-4-202. Public infrastructure district board -- Governing document.**

880 (1)

(a) The legislative body or board of the creating entity shall appoint the initial members of the board of a public infrastructure district, in accordance with the governing document.

883 (b) A governing document approved by the legislative body or board of the creating entity may provide for the board of a public infrastructure district to, upon a vacancy on the board, appoint an individual to the board so long as the individual meets the requirements to serve on a public infrastructure district board described in this section.

888 (c) For public infrastructure districts not described in Subsection (1)(b), and except as provided in Subsection (1)(d):

890 (i) if there is a vacancy on the board of a public infrastructure district, or a board member provides notice to the legislative body or board of the creating entity of the board member's intention to resign from the board, the legislative body or board of the creating entity shall appoint a replacement board member within 45 days from the day on which the vacancy first occurs or the board member provides notice of the board member's intent to resign; and

896 (ii) if a legislative body or board of the creating entity fails to fill a vacancy on the board within the time period described in Subsection (1)(c)(i), the board of the public infrastructure district may appoint an individual who is eligible to serve on the board according to the requirements of this section to fill the board vacancy.

900 (d) If a public infrastructure district board position has transitioned from appointment to election, as described in Subsection (4), and an elected board position becomes vacant, the provisions of Section 20A-1-512 apply to fill the vacancy.

903 (2)

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

SB0241S01 compared with SB0241S02

- 905 (b) Notwithstanding Subsection (2)(a), approximately half of the members of the initial board shall
serve a six-year term so that, after the expiration of the initial term, the term of approximately half
the board members expires every two years.
- 908 (c) A board may elect that a majority of the board serve an initial term of six years.
- 909 (d) After the initial term, the term of each member of the board is four years.
- 910 (e) A member of the board who is appointed shall continue to serve on the board of the public
infrastructure district until a replacement board member is appointed.
- 912 (3)
- (a) Notwithstanding Subsection 17B-1-302(1)(b), a board member is not required to be a resident within
the boundaries of the public infrastructure district if:
- 914 (i) all of the surface property owners consent to the waiver of the residency requirement;
- 916 (ii) there are no residents within the boundaries of the public infrastructure district;
- 917 (iii) no qualified candidate timely files to be considered for appointment to the board; or
- 919 (iv) no qualified individual files a declaration of candidacy for a board position in accordance with
Subsection 17B-1-306(5).
- 921 (b) Except under the circumstances described in Subsection (3)(a)(iii) or (iv), the residency requirement
in Subsection 17B-1-302(1)(b) is applicable to any board member elected for a division or board
position that has transitioned from an appointed to an elected board member in accordance with this
section.
- 925 (c) An individual who is not a resident within the boundaries of the public infrastructure district may
not serve as a board member unless the individual is:
- 927 (i) an owner of land or an agent or officer of the owner of land within the boundaries of the public
infrastructure district; and
- 929 (ii) a registered voter at the individual's primary residence.
- 930 (d) If the creating entity determines that a public infrastructure district is not anticipated to have
permanent residents within the public infrastructure district's boundaries, or is anticipated to be
primarily composed of non-residential property or non-primary residential property, a governing
document may allow the creating entity to continue to appoint a property owner, or the agent of a
property owner, to the public infrastructure district board.
- 936 (e) A governing document may allow for a property owner to recommend a property owner or a
property owner's agent for appointment to the public infrastructure district board in numbers

SB0241S01 compared with SB0241S02

proportional to the property owner's ownership of land, or value of land, within a public infrastructure district.

- 940 (4)
- (a) A governing document may provide for a transition from legislative body appointment under Subsection (1) to a method of election by registered voters based upon milestones or events that the governing document identifies, including a milestone for each division or individual board position providing that when the milestone is reached:
- 945 (i) for a division, the registered voters of the division elect a member of the board in place of an appointed member at the next municipal general election for the board position; or
- 948 (ii) for an at large board position established in the governing document, the registered voters of the public infrastructure district elect a member of the board in place of an appointed member at the next municipal general election for the board position.
- 952 (b) Regardless of whether a board member is elected under Subsection (4)(a), the position of each remaining board member shall continue to be appointed under Subsection (1) until the member's respective division or board position surpasses the density milestone described in the governing document.
- 956 (5)
- (a) Subject to Subsection (5)(c), the board may, in the board's discretion but no more frequently than every four years, reestablish the boundaries of each division so that each division that has reached a milestone specified in the governing document, as described in Subsection (4)(a), has, as nearly as possible, the same number of eligible voters.
- 961 (b) In reestablishing division boundaries under Subsection (5)(a), the board shall consider existing or potential developments within the divisions that, when completed, would increase or decrease the number of eligible voters within the division.
- 965 (c) The governing document may prohibit the board from reestablishing, without the consent of the creating entity, the division boundaries as described in Subsection (5)(a).
- 968 (6) A public infrastructure district may not compensate a board member for the member's service on the board under Section 17B-1-307 unless the board member is a resident within the boundaries of the public infrastructure district.
- 971 (7) A governing document shall:
- 972 (a) include a boundary description and a map of the public infrastructure district;

SB0241S01 compared with SB0241S02

- 973 (b) state the number of board members;
- 974 (c) describe any divisions of the public infrastructure district;
- 975 (d) establish any applicable property tax levy rate limit for the public infrastructure district;
- 977 (e) establish any applicable limitation on the principal amount of indebtedness for the public
infrastructure district; and
- 979 (f) include other information that the public infrastructure district or the creating entity determines to be
necessary or advisable.
- 981 (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.
- 984 (b) Notwithstanding Subsection (8)(a), any amendment to increase a property tax levy rate limitation
requires the consent of[:]
- 986 [(i)] 100% of surface property owners within the boundaries of the public infrastructure district[; and] .
- 988 [(ii)] 100% of the registered voters, if any, within the boundaries of the public infrastructure district.]
- 990 (9) A board member is not in violation of Section 67-16-9 if the board member:
- 991 (a) discloses a business relationship in accordance with Sections 67-16-7 and 67-16-8 and files the
disclosure with the creating entity:
- 993 (i) before any appointment or election; and
- 994 (ii) upon any significant change in the business relationship; and
- 995 (b) conducts the affairs of the public infrastructure district in accordance with this title and any
parameters described in the governing document.
- 997 (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.
- 998 Section 12. Section **17D-4-203** is amended to read:
- 999 **17D-4-203. Public infrastructure district powers.**
- A public infrastructure district:
- 1004 (1) has all of the authority conferred upon a special district under Section 17B-1-103; and
- 1005 (2) may:
- 1006 (a) issue negotiable bonds to pay:

SB0241S01 compared with SB0241S02

- 1007 (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;
- 1010 (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];~~
- 1014 (iii) public improvements related to the provision of housing;
- 1015 (iv) capital costs related to public transportation;
- 1016 (v) ~~[for a public infrastructure district created by a development authority,]~~the cost of acquiring or
financing public infrastructure and improvements; and
- 1018 (vi) for a public infrastructure district that is a subsidiary of or created by the Utah Inland Port
Authority, the costs associated with a remediation project, as defined in Section 11-58-102;
- 1021 (b) enter into an interlocal agreement in accordance with Title 11, Chapter 13, Interlocal Cooperation
Act, provided that the interlocal agreement may not expand the powers of the public infrastructure
district, within the limitations of Title 11, Chapter 13, Interlocal Cooperation Act, without the
consent of the creating entity;
- 1025 (c) notwithstanding any other provision in code, acquire completed or partially completed
improvements, including related design and consulting services and related work product, for fair
market value as reasonably determined by:
- 1028 (i) the board;
- 1029 (ii) the creating entity, if required in the governing document; or
- 1030 (iii) a surveyor or engineer that a public infrastructure district employs or engages to perform
the necessary engineering services for and to supervise the construction or installation of the
improvements;
- 1033 (d) contract with the creating entity for the creating entity to provide administrative services on behalf
of the public infrastructure district, when agreed to by both parties, in order to achieve cost savings
and economic efficiencies, at the discretion of the creating entity; ~~[and]~~
- 1037 (e) for a public infrastructure district created by a development authority, or for a public infrastructure
district created by a municipality and located in an urban renewal project area that includes some or
all of an inactive industrial site:
- 1040 (i)
(A) operate and maintain public infrastructure and improvements the district acquires or finances; and

SB0241S01 compared with SB0241S02

- 1042 (B) use fees, assessments, or taxes to pay for the operation and maintenance of those public
infrastructure and improvements; and
- 1044 (ii) issue bonds under Title 11, Chapter 42, Assessment Area Act; and
- 1045 (f) for a public infrastructure district that is a subsidiary of or created by the Utah Inland Port Authority,
pay for costs associated with a remediation project, as defined in 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. Relation to other local entities.**
- 1050 (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.
- 1054 (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.
- 1056 (3)
- (a) All infrastructure that is connected to another public entity's system:
- 1057 (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
- 1060 (ii) shall comply with the design, inspection requirements, and other standards of the public entity.
- 1062 (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.
- 1065 (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.
- 1069 (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.
- 1071 (c) Subsection (4)(a) applies notwithstanding any provision in:
- 1072 (i) Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act;
- 1074 (ii) Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;
- 1075 (iii) a statute governing a development authority created under Utah Constitution, Article XI; or

SB0241S01 compared with SB0241S02

- 1077 (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.
- 1081 ~~{(5)}~~
~~{(a) {A public infrastructure district created by the School and Institutional Trust Lands~~
~~Administration pursuant to Section 53C-1-201 may not begin construction of infrastructure~~
~~connected to another public entity's system unless the other public entity, subject to Subsection (5)~~
~~(c), has given the public infrastructure district approval of construction plans for the infrastructure.}}~~
~~}~~
- 1086 ~~{(b) {In the event a public infrastructure district described in Subsection (5)(a) does not obtain~~
~~approval from another public entity before constructing infrastructure, the public entity may elect~~
~~not to accept the dedication of the infrastructure.}}~~
- 1089 ~~{(c) {A public entity may not unreasonably withhold approval of construction plans for infrastructure~~
~~from a public infrastructure district described in Subsection (5)(a).}}~~
- 1079 Section 14. Section **17D-4-301** is amended to read:
- 1080 **17D-4-301. Public infrastructure district bonds.**
- 1094 (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:
- 1097 (i) Title 11, Chapter 14, Local Government Bonding Act;
- 1098 (ii) Title 11, Chapter 27, Utah Refunding Bond Act;
- 1099 (iii) Title 11, Chapter 42, Assessment Area Act;
- 1100 (iv) Title 11, Chapter 42a, Commercial Property Assessed Clean Energy Act; and
- 1101 ~~[(iv)]~~ (v) this section.
- 1102 (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:
- 1104 (i) adopts a parameters resolution for the bonds that sets forth:
- 1105 (A) the maximum:
- 1106 (I) amount of bonds;
- 1107 (II) term; and
- 1108 (III) interest rate; and

SB0241S01 compared with SB0241S02

- 1109 (B) the expected security for the bonds; and
- 1110 (ii) submits the parameters resolution for review and recommendation to the State Finance Review
Commission created in Section 63C-25-201.
- 1112 (2) A public infrastructure district bond[;]
- 1113 [~~(a)~~] _shall mature within 40 years of the date of issuance[; and] _
- 1114 [~~(b) may not be secured by any improvement or facility paid for by the public infrastructure district.~~]
- 1116 (3)
- (a) A public infrastructure district may issue a limited tax bond, in the same manner as a general
obligation bond:
- 1118 (i)
- (A) with the consent of 100% of surface property owners within the boundaries of the public
infrastructure district; and[100%]
- 1120 (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
- 1124 (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.
- 1127 (b) A limited tax bond described in Subsection (3)(a):
- 1128 (i) is not subject to the limitation on a general obligation bond described in Subsection 17B-1-1102(4);
and
- 1130 (ii) is subject to a limitation, if any, on the principal amount of indebtedness as described in the
governing document.
- 1132 (c) Unless limited tax bonds are initially purchased exclusively by one or more qualified institutional
buyers as defined in Rule 144A, 17 C.F.R. Sec. 230.144A, or an investment grade rating is
obtained for the limited tax bonds by one or more nationally recognized rating agencies, the public
infrastructure district may only issue limited tax bonds in denominations of not less than \$500,000,
and in integral multiples above \$500,000 of not less than \$1,000 each.
- 1138 (d)
- (i) Without any further election or consent of property owners or registered voters, a public
infrastructure district may convert a limited tax bond described in Subsection (3)(a) to a general

SB0241S01 compared with SB0241S02

obligation bond if the principal amount of the related limited tax bond together with the principal amount of other related outstanding general obligation bonds of the public infrastructure district does not exceed 15% of the fair market value of taxable property in the public infrastructure district securing the general obligation bonds, determined by:

- 1145 (A) an appraisal from an appraiser who is a member of the Appraisal Institute that is addressed to
the public infrastructure district or a financial institution; or
- 1147 (B) the most recent market value of the property from the assessor of the county in which the
property is located.
- 1149 (ii) The consent to the issuance of a limited tax bond described in Subsection (3)(a) is sufficient to meet
any statutory or constitutional election requirement necessary for the issuance of the limited tax
bond and any general obligation bond to be issued in place of the limited tax bond upon meeting the
requirements of this Subsection (3)(d).
- 1154 ~~[(iii) A general obligation bond resulting from a conversion of a limited tax bond under this Subsection
(3)(d) is not subject to the limitation on general obligation bonds described in Subsection
17B-1-1102(4)(a)(xii).]~~
- 1157 (e) A public infrastructure district that levies a property tax for payment of debt service on a limited tax
bond issued under this section is not required to comply with the notice and hearing requirements of
Section 59-2-919 unless the rate exceeds the rate established in:
- 1161 (i) Section 17D-4-303, except as provided in Subsection [(8)] (13);
- 1162 (ii) the governing document; or
- 1163 (iii) the documents relating to the issuance of the limited tax bond.
- 1164 (4)
- (a) For a public infrastructure district seeking the consent described in Subsection (3)(a)(i)(B), a public
infrastructure district may:
- 1166 (i) post a class A notice under Section 63G-30-102 for at least 30 days; and
- 1167 (ii) mail a request for consent to each registered voter within the boundaries of the public
infrastructure district according to voter registration records.
- 1169 (b) The request for consent described in Subsection (4)(a)(ii) shall include:
- 1170 (i) the purpose for the issuance of the bonds;
- 1171 (ii) the maximum principal amount of the bonds to be issued;
- 1172 (iii) the maximum tax rate proposed to be pledged for the repayment of the bonds;

SB0241S01 compared with SB0241S02

- 1173 (iv) the words "For the issuance of bonds" and "Against the issuance of bonds," with appropriate boxes
1175 in which the voter may indicate the voter's choice; and
- 1177 (v) a return address and phone number where additional information may be obtained from the public
infrastructure district.
- 1177 (c) Any registered voter who does not return the request for consent within 30 days of the day they are
mailed to the voter is considered:
- 1179 (i) non-participatory in the request for consent; and
- 1180 (ii) shall not be included in a calculation to determine the percentage of registered voters who consent to
the issuance of bonds.
- 1182 (d) If a majority of the registered voters who return the request for consent under this Subsection (4)
indicate "For the issuance of bonds," or if no registered voters return the request for consent within
the time frame described in Subsection (4)(c), the requirement described in Subsection (3)(a)(i)(B)
is met.
- 1186 (e) Nothing in this Subsection (4):
- 1187 (i) prevents a public infrastructure district from obtaining the consent of registered voters for the
issuance of a bond through another method; or
- 1189 (ii) shall be interpreted to affect or otherwise interfere with any consents of registered voters obtained
before the effective date of this bill.
- 1191 (5) Nothing in this section shall be interpreted to:
- 1192 (a) prevent a public infrastructure district from withdrawing 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; or
- 1196 (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.
- 1200 (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:
- 1203 (i) adopts a resolution or ordinance finding that the consent or approval is obtained; and
- 1205 (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.

SB0241S01 compared with SB0241S02

- 1207 (b) The tolling provisions of Section 11-14-301 apply during the 10-year period described in Subsection
1209 (6)(a).
- 1213 (c) After a public infrastructure district obtains consent or approval under Subsection (3)(a), the public
1214 infrastructure district does not require any additional consent to or approval of the issuance of
1215 bonds, and the subsequent annexation of property to, or withdrawal of property from, the public
1217 infrastructure district does not impact:
- 1219 (i) the validity of already obtained consent or approval;
1214 (ii) the 10-year period described in Subsection (6)(a); or
1215 (iii) any bond issued, or to be issued, pursuant to the consent or approval that was obtained under
1217 Subsection (3)(a).
- 1219 (d) Subsection (6)(a) does not invalidate or alter any consent or approval, or finding of consent or
1219 approval, that occurred before the effective date of this bill.
- 1219 (7)
- 1223 (a) [There-] Except as provided in Subsection (7)(b), there is no limitation on the duration of revenues
1225 that a public infrastructure district may receive to cover any shortfall in the payment of principal of
1228 and interest on a bond that the public infrastructure district issues.
- 1223 (b) A public infrastructure governing document or bond documents may limit the duration of time
1225 described in Subsection (7)(a).
- 1228 [(5)] (8) Section 11-42-106 governs any action to challenge an assessment imposed by a public
1230 infrastructure district or any proceeding to designate an assessment area conducted by a public
1233 infrastructure district.
- 1228 (9) A public infrastructure district is not a municipal corporation for purposes of the debt limitation of
1230 Utah Constitution, Article XIV, Section 4.
- 1230 [(6)] (10) [The-] Notwithstanding any other provision, the board may[;] directly, or by resolution[;]
1233 delegate to one or more officers of the public infrastructure district the authority to:
- 1236 (a) in accordance and within the parameters set forth in a resolution adopted in accordance with Section
1237 11-14-302, approve the final interest rate, price, principal amount, maturity, redemption features,
1237 and other terms of the bond;
- 1236 (b) approve and execute any document or contract relating to the issuance of a bond; and
- 1237 (c) approve any contract related to the acquisition and construction of the improvements, facilities, or
1237 property to be financed with a bond.

SB0241S01 compared with SB0241S02

- 1239 (11)
- (a) Subject to Subsection (11)(b), before a public infrastructure district may issue a limited tax bond or assessment bond, the public infrastructure district shall engage a municipal advisor who, in connection with the issuance of bonds, shall deliver a certificate stating that:
- 1242 (i) the municipal advisor qualifies to serve as a municipal advisor, as defined in Section 17D-4-102, including the basis for the municipal advisor's qualifications;
- 1244 (ii) the structure of the limited tax bond or assessment bond the public infrastructure district is about to issue is a reasonable structure, as of the date of the issuance of the limited tax bond or assessment bond, as applicable; and
- 1247 (iii) the interest rate of the limited tax bond or assessment bond the public infrastructure district is about to offer is a reasonable market rate, as of the date of the issuance of the limited tax bond or assessment bond, as applicable.
- 1250 (b) The provisions of this Subsection (11) do not apply to a public infrastructure district created by a development authority.
- 1252 [(7)] (12)
- (a) Any person may contest the legality of the issuance of a public infrastructure district bond or any provisions for the security and payment of the bond for a period of 30 days after:
- 1255 (i) ~~[publication of]~~ posting the resolution authorizing the bond as a class A notice under Section 63G-30-102; or
- 1257 (ii) ~~[publication of]~~ posting a notice of bond containing substantially the items required under Subsection 11-14-316(2) as a class A notice under Section 63G-30-102.
- 1260 (b) After the 30-day period described in Subsection [(7)(a)] (12)(a), no person may bring a lawsuit or other proceeding contesting the regularity, formality, or legality of the bond for any reason.
- 1263 [(8)] (13)
- (a) In the event of any statutory change in the methodology of assessment or collection of property taxes in a manner that reduces the amounts which are devoted or pledged to the repayment of limited tax bonds, a public infrastructure district may charge a rate sufficient to receive the amount of property taxes or assessment the public infrastructure district would have received before the statutory change in order to pay the debt service on outstanding limited tax bonds.
- 1269 (b) The rate increase described in Subsection [(8)(a)] (13)(a) may exceed the limit described in Section 17D-4-303.

SB0241S01 compared with SB0241S02

- 1271 (c) The public infrastructure district may charge the rate increase described in Subsection [(8)(a)] (13)
1272 (a) until the bonds, including any associated refunding bonds, or other securities, together with
1273 applicable interest, are fully met and discharged.
- 1274 [(9)] (14) No later than 60 days after the closing of any bonds by a public infrastructure district created
1275 by a bonding political subdivision, as defined in Section 63C-25-101, the public infrastructure
1276 district shall report the bond issuance, including the amount of the bonds, terms, interest rate, and
1277 security, to:
- 1278 (a) the Executive Appropriations Committee; and
1279 (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. Fees.**
- 1282 (1) [A] In addition to any fees authorized by Title 17B, Chapter 1, Provisions Applicable to
1283 All Special Districts, a public infrastructure district may charge a fee [or other charge] for an
1284 administrative service that the public infrastructure district provides, to pay some or all of the public
1285 infrastructure district's:
- 1286 [(1)] (a) costs of acquiring, improving, or extending improvements, facilities, or property; or
1287 [(2)] (b) costs associated with the enforcement of a legal remedy.
- 1289 (2) The board of a public infrastructure district shall establish fees by a fee schedule in ordinance or
1290 resolution.
- 1280 Section 16. Section **17D-4-303** is amended to read:
1281 **17D-4-303. Limits on public infrastructure district property tax levy -- Notice requirements.**
- 1294 (1) The property tax levy of a public infrastructure district, for all purposes, including payment of debt
1295 service on limited tax bonds, may not exceed .015 per dollar of taxable value of taxable property in
1296 the district.
- 1297 (2) The limitation described in Subsection (1) does not apply to the levy by the public infrastructure
1298 district to pay principal of and interest on a general obligation bond that the public infrastructure
1299 district issues.
- 1300 (3)
(a) Within 30 days after the day on which the lieutenant governor issues a certificate of incorporation
1301 for the public infrastructure district under Section 67-1a-6.5, the board shall record a notice with the
1302 recorder of the county in which property within the public infrastructure district is located.

SB0241S01 compared with SB0241S02

- 1304 (b) The notice described in Subsection (3)(a) shall:
- 1305 (i) contain a description of the boundaries of the public infrastructure district;
- 1306 (ii) state that a copy of the governing document is on file at the office of the creating entity;
- 1308 (iii) state that the public infrastructure district may finance and repay infrastructure and other improvements through the levy of a property tax; and
- 1310 (iv) state the maximum rate that the public infrastructure district may levy.
- 1311 (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.
- 1315 (4) If the board fails to record a notice as described in Subsection (3):
- 1316 (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;
- 1318 (b) any bonds issued by the public infrastructure district are still valid; and
- 1319 (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).
- 1310 Section 17. Section **17D-4-305** is amended to read:
- 1311 **17D-4-305. Action to contest tax, fee, or proceeding -- Requirements -- Exclusive remedy -- Bonds, taxes, and fees incontestable.**
- 1324 (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:
- 1327 (a) set aside the proceeding; or
- 1328 (b) enjoin the levy, imposition, or collection of a tax or fee.
- 1329 (2) The person bringing an action described in Subsection (1):
- 1330 (a) notwithstanding Title 78B, Chapter 3a, Venue for Civil Actions, shall bring the action in the county in which the public infrastructure district is located if the person brings the action in the district court; and
- 1333 (b) may not bring the action against or serve a summons relating to the action on the public infrastructure district more than 30 days after the ~~[effective date of the]~~ day on which:
- 1336 (i) the creation of the public infrastructure district is effective, if the challenge is to the creation of the public infrastructure district;~~[-or]~~

SB0241S01 compared with SB0241S02

- 1338 (ii) the board of the public infrastructure district adopts a resolution or ordinance establishing a tax or
fee, if the challenge is to a tax or fee[-] ; or
- 1340 (iii) the board of the public infrastructure district adopts a resolution or ordinance annexing property to,
or withdrawing property from, the public infrastructure district, if the challenge is to an annexation
or withdrawal.
- 1343 (3) An action under Subsection (1) is the exclusive remedy of a person who:
- 1344 (a) claims an error or irregularity in a tax or fee or in any proceeding to create a public infrastructure
district, levy a tax, or impose a fee; or
- 1346 (b) challenges a bondholder's right to repayment.
- 1347 (4) After the expiration of the 30-day period described in Subsection (2)(b):
- 1348 (a) a bond issued or to be issued with respect to a public infrastructure district and any tax levied or
fee imposed becomes incontestable against any person who has not brought an action and served a
summons in accordance with this section;
- 1351 (b) a person may not bring a suit to:
- 1352 (i) enjoin the issuance or payment of a bond or the levy, imposition, collection, or enforcement of a tax
or fee; or
- 1354 (ii) attack or question in any way the legality of a bond, tax, or fee; and
- 1355 (c) a court may not inquire into the matters described in Subsection (4)(b).
- 1356 (5)
- (a) This section does not insulate a public infrastructure district from a claim of misuse of funds after
the expiration of the 30-day period described in Subsection (2)(b).
- 1359 (b)
- (i) Except as provided in Subsection (5)(b)(ii), an action in the nature of mandamus is the sole form of
relief available to a party challenging the misuse of funds.
- 1362 (ii) The limitation in Subsection (5)(b)(i) does not prohibit the filing of criminal charges against or the
prosecution of a party for the misuse of funds.
- 1364 (6) If there is a conflict between a provision in Section 17D-4-301 and a provision in this section, the
provision in Section 17D-4-301 supersedes the conflicting provision in this section.
- 1367 ~~{Section 18. Section 53C-1-201 is amended to read: }~~
- 1368 **53C-1-201. Creation of administration -- Purpose -- Director -- Participation in Risk
Management Fund -- Closed meetings.**

SB0241S01 compared with SB0241S02

- 1371 (1)
- (a) There is established within state government the School and Institutional Trust Lands Administration.
- 1373 (b) The administration shall manage all school and institutional trust lands and assets within the state, except as otherwise provided in Title 53C, Chapter 3, Deposit and Allocation of Revenue from Trust Lands, and Title 53D, Chapter 1, School and Institutional Trust Fund Management Act.
- 1377 (2) The administration is an independent state agency and not a division of any other department.
- 1379 (3)
- (a) The administration is subject to the usual legislative and executive department controls except as provided in this Subsection (3).
- 1381 (b)
- (i) The director may make rules as approved by the board that allow the administration to classify a business proposal submitted to the administration as protected under Section 63G-2-305, for as long as is necessary to evaluate the proposal.
- 1385 (ii) The administration shall return the proposal to the party who submitted the proposal, and incur no further duties under Title 63G, Chapter 2, Government Records Access and Management Act, if the administration determines not to proceed with the proposal.
- 1389 (iii) The administration shall classify the proposal pursuant to law if the administration decides to proceed with the proposal.
- 1391 (iv) Section 63G-2-403 does not apply during the review period.
- 1392 (c) The director shall make rules in compliance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, except that the administration is not subject to Subsections 63G-3-301(5), (6), (7), and (13) and Section 63G-3-601, and the director, with the board's approval, may establish a procedure for the expedited approval of rules, based on written findings by the director showing:
- 1397 (i) the changes in business opportunities affecting the assets of the trust;
- 1398 (ii) the specific business opportunity arising out of those changes which may be lost without the rule or changes to the rule;
- 1400 (iii) the reasons the normal procedures under Section 63G-3-301 cannot be met without causing the loss of the specific opportunity;
- 1402 (iv) approval by at least five board members; and
- 1403

SB0241S01 compared with SB0241S02

(v) that the director has filed a copy of the rule and a rule analysis, stating the specific reasons and justifications for the director's findings, with the Office of Administrative Rules and notified interested parties as provided in Subsection 63G-3-301(10).

1407 (d)

(i) The administration shall comply with Title 63A, Chapter 17, Utah State Personnel Management Act, except as provided in this Subsection (3)(d).

1409 (ii)

(A) The board may approve, upon recommendation of the director, that exemption for specific positions under Subsections 63A-17-301(1) and 63A-17-307(2) is required in order to enable the administration to efficiently fulfill the administration's responsibilities under the law.

1413 (B) The director shall consult with the director of the Division of Human Resource Management before making a recommendation under Subsection (3)(d)(ii)(A).

1416 (iii) The positions of director, deputy director, associate director, assistant director, legal counsel appointed under Section 53C-1-305, administrative assistant, and public affairs officer are exempt under Subsections 63A-17-301(1) and 63A-17-307(2).

1420 (iv)

(A) The director shall set salaries for exempted positions, except for the director, after consultation with the director of the Division of Human Resource Management, within ranges approved by the board.

1423 (B) The board and director shall consider salaries for similar positions in private enterprise and other public employment when setting salary ranges.

1425 (v) The board may create an annual incentive and bonus plan for the director and other administration employees designated by the board, based upon the attainment of financial performance goals and other measurable criteria defined and budgeted in advance by the board.

1429 (e) The administration shall comply with:

1430 (i) subject to Subsection (8), Title 52, Chapter 4, Open and Public Meetings Act;

1431 (ii) Title 63G, Chapter 2, Government Records Access and Management Act; and

1432 (iii) Title 63G, Chapter 6a, Utah Procurement Code, except where the board approves, upon recommendation of the director, exemption from the Utah Procurement Code, and simultaneous adoption of rules under Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for procurement, that enable the administration to efficiently fulfill the administration's responsibilities under the law.

SB0241S01 compared with SB0241S02

- 1438 (f)
- (i) Except as provided in Subsection (3)(f)(ii), the administration is not subject to the fee agency requirements of Section 63J-1-504.
- 1440 (ii) The following fees of the administration are subject to Section 63J-1-504:
- 1441 (A) application;
- 1442 (B) assignment;
- 1443 (C) amendment;
- 1444 (D) affidavit for lost documents;
- 1445 (E) name change;
- 1446 (F) reinstatement;
- 1447 (G) grazing nonuse;
- 1448 (H) extension of time;
- 1449 (I) partial conveyance;
- 1450 (J) patent reissue;
- 1451 (K) collateral assignment;
- 1452 (L) electronic payment; and
- 1453 (M) processing.
- 1454 (g)
- (i) Notwithstanding Subsection 63J-1-206(2)(c), the administration may transfer money between the administration's line items.
- 1456 (ii) Before transferring appropriated money between line items, the administration shall submit a proposal to the board for the board's approval.
- 1458 (iii) If the board gives approval to a proposal to transfer appropriated money between line items, the administration shall submit the proposal to the Legislative Executive Appropriations Committee for the Legislative Executive Appropriations Committee's review and recommendations.
- 1462 (iv) The Legislative Executive Appropriations Committee may recommend:
- 1463 (A) that the administration transfer the appropriated money between line items;
- 1464 (B) that the administration not transfer the appropriated money between line items; or
- 1466 (C) to the governor that the governor call a special session of the Legislature to supplement the appropriated budget for the administration.

1468

SB0241S01 compared with SB0241S02

(4) The administration is managed by a director of school and institutional trust lands appointed by a majority vote of the board of trustees with the consent of the governor.

1470 (5)

(a) The board of trustees shall provide policies for the management of the administration and for the management of trust lands and assets.

1472 (b)

(i) The board shall provide policies for the ownership and control of Native American remains that are discovered or excavated on school and institutional trust lands in consultation with the Division of Indian Affairs and giving due consideration to Title 9, Chapter 9, Part 4, Native American Grave Protection and Repatriation Act.

1477 (ii) The director may make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to implement policies provided by the board regarding Native American remains.

1480 (6)

(a) In connection with joint ventures and other transactions involving trust lands and minerals approved under Sections 53C-1-303 and 53C-2-401, the administration, with board approval, may become a member of a limited liability company under Title 48, Chapter 3a, Utah Revised Uniform Limited Liability Company Act, as appropriate pursuant to Section 48-3a-1405 and is considered a person under Section 48-3a-102.

1486 (b)

(i) In connection with the development of trust lands, the administration, with board approval and on behalf of the state, may exercise the power of a development authority to create a public infrastructure district under Title 17D, Chapter 4, Public Infrastructure District Act.

1490 (ii) For any land that is included in the boundary of a public infrastructure district created by the administration that is not trust land, the land shall be:

1492 (A) contiguous to the trust land; and

1493 (B) subject to the land use authority of the local jurisdiction where it is located.

1494 (7) Subject to Subsection 63E-1-304(2), the administration may participate in coverage under the Risk Management Fund created by Section 63A-4-201.

1496 (8)

SB0241S01 compared with SB0241S02

- (a) Notwithstanding Subsection (3), Subsection 52-4-204(2) or 52-4-205(1), and in addition to the reasons to close a meeting under Section 52-4-205, the board may hold a closed meeting if two-thirds of the members present when a quorum is present vote to close the meeting for the purpose of:
- (i) conducting a strategy session to discuss market conditions relevant to the sale of particular trust assets if the terms of the sale of any trust assets are publicly disclosed before the board approves the sale and a public discussion would:
- (A) disclose the appraisal or estimated value of the trust assets under consideration; or
- (B) prevent the board from completing a contemplated transaction concerning the trust assets on the best possible terms; or
- (ii) conducting a strategy session to evaluate the terms of a joint venture or other business arrangement authorized under Subsection 53C-1-303(3)(e) if the terms of the joint venture or other business arrangement are publicly disclosed before the board approves the transaction and a public discussion of the transaction would:
- (A) disclose the appraisal or estimated value of the trust assets under consideration; or
- (B) prevent the board from completing the transaction concerning the joint venture or other business arrangement on the best possible terms.
- (b) The board shall comply with the procedural requirements for closing a meeting under Title 52, Chapter 4, Open and Public Meetings Act.

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

67-1a-6.5. Certification of local entity boundary actions -- Definitions -- Notice requirements -- Electronic copies -- Filing.

- (1) As used in this section[:]
- (a) "Applicable certificate" means:
- (i) for the impending incorporation of a city, town, special district, conservation district, [~~or~~]incorporation of a special district from a reorganized special service district, or public infrastructure district, a certificate of incorporation;
- (ii) for the impending creation of a county, school district, special service district, community reinvestment agency, or interlocal entity, a certificate of creation;
- (iii) for the impending annexation of territory to an existing local entity, a certificate of annexation;
- (iv) for the impending withdrawal or disconnection of territory from an existing local entity, a certificate of withdrawal or disconnection, respectively;

SB0241S01 compared with SB0241S02

- 1531 (v) for the impending consolidation of multiple local entities, a certificate of consolidation;
1533 (vi) for the impending division of a local entity into multiple local entities, a certificate of division;
1535 (vii) for the impending adjustment of a common boundary between local entities, a certificate of
boundary adjustment; and
1537 (viii) for the impending dissolution of a local entity, a certificate of dissolution.
- 1538 (b) "Approved final local entity plat" means a final local entity plat, as defined in Section 17-23-20, that
has been approved under Section 17-23-20 as a final local entity plat by the county surveyor.
- 1541 (c) "Approving authority" has the same meaning as defined in Section 17-23-20.
- 1542 (d) "Boundary action" has the same meaning as defined in Section 17-23-20.
- 1543 (e) "Center" means the Utah Geospatial Resource Center created under Section 63A-16-505.
- 1545 (f) "Community reinvestment agency" has the same meaning as defined in Section 17C-1-102.
- 1547 (g) "Conservation district" has the same meaning as defined in Section 17D-3-102.
- 1548 (h) "Interlocal entity" has the same meaning as defined in Section 11-13-103.
- 1549 (i) "Local entity" means a county, city, town, school district, special district, community reinvestment
agency, special service district, conservation district, or interlocal entity.
- 1551 (j) "Notice of an impending boundary action" means a written notice, as described in Subsection (3),
that provides notice of an impending boundary action.
- 1553 (k) "Special district" means the same as that term is defined in Section 17B-1-102.
- 1554 (l) "Special service district" means the same as that term is defined in Section 17D-1-102.
- 1555 (2) Within 10 days after receiving a notice of an impending boundary action, the lieutenant governor
shall:
- 1557 (a)
- (i) issue the applicable certificate, if:
- 1558 (A) the lieutenant governor determines that the notice of an impending boundary action meets the
requirements of Subsection (3); and
- 1560 (B) except in the case of an impending local entity dissolution, the notice of an impending boundary
action is accompanied by an approved final local entity plat;
- 1563 (ii) send the applicable certificate to the local entity's approving authority;
- 1564 (iii) return the original of the approved final local entity plat to the local entity's approving authority;
- 1566 (iv) send a copy of the applicable certificate and approved final local entity plat to:
- 1567 (A) the State Tax Commission;

SB0241S01 compared with SB0241S02

- 1568 (B) the center; and
- 1569 (C) the county assessor, county surveyor, county auditor, and county attorney of each county in which
the property depicted on the approved final local entity plat is located; and
- 1572 (v) send a copy of the applicable certificate to the state auditor, if the boundary action that is the subject
of the applicable certificate is:
- 1574 (A) the incorporation or creation of a new local entity;
- 1575 (B) the consolidation of multiple local entities;
- 1576 (C) the division of a local entity into multiple local entities; or
- 1577 (D) the dissolution of a local entity; or
- 1578 (b)
- (i) send written notification to the approving authority that the lieutenant governor is unable to issue the
applicable certificate, if:
- 1580 (A) the lieutenant governor determines that the notice of an impending boundary action does not
meet the requirements of Subsection (3); or
- 1582 (B) the notice of an impending boundary action is:
- 1583 (I) not accompanied by an approved final local entity plat; or
- 1584 (II) accompanied by a plat or final local entity plat that has not been approved as a final local entity plat
by the county surveyor under Section 17-23-20; and
- 1587 (ii) explain in the notification under Subsection (2)(b)(i) why the lieutenant governor is unable to issue
the applicable certificate.
- 1589 (3) Each notice of an impending boundary action shall:
- 1590 (a) be directed to the lieutenant governor;
- 1591 (b) contain the name of the local entity or, in the case of an incorporation or creation, future local entity,
whose boundary is affected or established by the boundary action;
- 1593 (c) describe the type of boundary action for which an applicable certificate is sought;
- 1594 (d) be accompanied by a letter from the Utah State Retirement Office, created under Section 49-11-201,
to the approving authority that identifies the potential provisions under Title 49, Utah State
Retirement and Insurance Benefit Act, that the local entity shall comply with, related to the
boundary action, if the boundary action is an impending incorporation or creation of a local entity
that may result in the employment of personnel; and
- 1600 (e)

SB0241S01 compared with SB0241S02

(i) contain a statement, signed and verified by the approving authority, certifying that all requirements applicable to the boundary action have been met; or

(ii) in the case of the dissolution of a municipality, be accompanied by a certified copy of the court order approving the dissolution of the municipality.

(4) The lieutenant governor may require the approving authority to submit a paper or electronic copy of a notice of an impending boundary action and approved final local entity plat in conjunction with the filing of the original of those documents.

(5)

(a) The lieutenant governor shall:

(i) keep, index, maintain, and make available to the public each notice of an impending boundary action, approved final local entity plat, applicable certificate, and other document that the lieutenant governor receives or generates under this section;

(ii) make a copy of each document listed in Subsection (5)(a)(i) available on the Internet for 12 months after the lieutenant governor receives or generates the document;

(iii) furnish a paper copy of any of the documents listed in Subsection (5)(a)(i) to any person who requests a paper copy; and

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

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

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

Section 19. **Effective date.**

This bill takes effect:

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

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

(a) upon approval by the governor;

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

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

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