

1 **Limited Purpose Local Government Amendments**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jerry W. Stevenson**

House Sponsor:

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3 **LONG TITLE**

4 **General Description:**

5 This bill modifies provisions affecting special districts.

6 **Highlighted Provisions:**

7 This bill:

8 ▶ defines terms and modifies definitions;

9 ▶ provides that a property owner special district may pledge all or a portion of revenue  
10 collected from an impact fee or other fee toward payment of a general obligation bond;

11 ▶ authorizes a basic special district to create a public infrastructure district;

12 ▶ authorizes a basic special district to fund:

13 • the acquisition and construction of certain facilities; and

14 • affordable housing projects;

15 ▶ modifies requirements for determining consent of surface property owners within a public  
16 infrastructure district;

17 ▶ modifies provisions related to the appointment or election of board members for a public  
18 infrastructure district;

19 ▶ modifies provisions related to the annexation of property to, or withdrawal of property  
20 from, a public infrastructure district;

21 ▶ provides that a public entity or private person may not receive funds from any portion of a  
22 public infrastructure district's property tax revenue without a resolution of the public  
23 infrastructure district's board authorizing the public entity or private person to receive  
24 the funds;

25 ▶ modifies the process for a public infrastructure district to issue a bond; and

26 ▶ 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.

31 **Utah Code Sections Affected:**

## 32 AMENDS:

- 33 **11-42-106**, as last amended by Laws of Utah 2024, Chapter 388  
 34 **11-42a-102**, as last amended by Laws of Utah 2024, Chapters 42, 53 and 438  
 35 **17B-1-304**, as last amended by Laws of Utah 2023, Chapters 15, 435  
 36 **17B-1-1102**, as last amended by Laws of Utah 2023, Chapter 15  
 37 **17D-4-102**, as last amended by Laws of Utah 2024, Chapter 419  
 38 **17D-4-103**, as last amended by Laws of Utah 2023, Chapter 15  
 39 **17D-4-201**, as last amended by Laws of Utah 2023, Chapters 12, 15 and 259  
 40 **17D-4-202**, as last amended by Laws of Utah 2021, Chapters 64, 415 and renumbered  
 41 and amended by Laws of Utah 2021, Chapter 314  
 42 **17D-4-203**, as last amended by Laws of Utah 2023, Chapters 15, 259  
 43 **17D-4-204**, as last amended by Laws of Utah 2023, Chapter 15  
 44 **17D-4-301**, as last amended by Laws of Utah 2023, Chapters 15, 139  
 45 **17D-4-302**, as renumbered and amended by Laws of Utah 2021, Chapter 314  
 46 **17D-4-303**, as renumbered and amended by Laws of Utah 2021, Chapter 314  
 47 **17D-4-305**, as last amended by Laws of Utah 2024, Chapter 158  
 48 **67-1a-6.5**, as last amended by Laws of Utah 2024, Chapter 388

## 49 ENACTS:

- 50 **17B-1-1404**, Utah Code Annotated 1953  
 51 **17D-4-104**, Utah Code Annotated 1953

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

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

55 **11-42-106 . Action to contest assessment or proceeding -- Requirements --**

56 **Exclusive remedy -- Bonds and assessment incontestable.**

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

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

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

63 (b)(i) Except as provided in Subsection (2)(b)(ii), an action under Subsection (1) may  
 64 not be commenced against and a summons relating to the action may not be

- 65 served on the local entity more than 60 days after the effective date of the:
- 66 (A) designation resolution or designation ordinance, if the challenge is to the
- 67 designation of an assessment area;
- 68 (B) assessment resolution or ordinance, if the challenge is to an assessment; or
- 69 (C) amended resolution or ordinance, if the challenge is to an amendment.
- 70 (ii) The period for commencing an action and serving a summons under Subsection
- 71 (2)(b)(i) is 30 days if:
- 72 (A) the designation resolution, assessment resolution, or amended resolution was
- 73 adopted by a development authority, an infrastructure financing district under
- 74 Title 17B, Chapter 2a, Part 13, Infrastructure Financing [~~Districts~~] District, or a
- 75 public infrastructure district [~~created by a development authority~~] under Title
- 76 17D, Chapter 4, Public Infrastructure District Act; and
- 77 (B) all owners of property within the assessment area or proposed assessment area
- 78 consent in writing to the designation resolution, assessment resolution, or
- 79 amended resolution.
- 80 (3)(a) An action under Subsection (1) is the exclusive remedy of a person who:
- 81 (i) claims an error or irregularity in an assessment or in any proceeding to designate
- 82 an assessment area or levy an assessment; or
- 83 (ii) challenges a bondholder's right to repayment.
- 84 (b) A court may not hear any complaint under Subsection (1) that a person was
- 85 authorized to make but did not make in a protest under Section 11-42-203 or at a
- 86 hearing under Section 11-42-204.
- 87 (c)(i) If a person has not brought a claim for which the person was previously
- 88 authorized to bring but is otherwise barred from making under Subsection (2)(b),
- 89 the claim may not be brought later because of an amendment to the resolution or
- 90 ordinance unless the claim arises from the amendment itself.
- 91 (ii) In an action brought pursuant to Subsection (1), a person may not contest a
- 92 previous decision, proceeding, or determination for which the service deadline
- 93 described in Subsection (2)(b) has expired by challenging a subsequent decision,
- 94 proceeding, or determination.
- 95 (4) An assessment or a proceeding to designate an assessment area or to levy an assessment
- 96 may not be declared invalid or set aside in part or in whole because of an error or
- 97 irregularity that does not go to the equity or justice of the proceeding or the assessment
- 98 meeting the requirements of Section 11-42-409.

- 99 (5) After the expiration of the period referred to in Subsection (2)(b):
- 100 (a) assessment bonds and refunding assessment bonds issued or to be issued with respect
- 101 to an assessment area and assessments levied on property in the assessment area
- 102 become at that time incontestable against all persons who have not commenced an
- 103 action and served a summons as provided in this section; and
- 104 (b) a suit to enjoin the issuance or payment of assessment bonds or refunding assessment
- 105 bonds, the levy, collection, or enforcement of an assessment, or to attack or question
- 106 in any way the legality of assessment bonds, refunding assessment bonds, or an
- 107 assessment may not be commenced, and a court may not inquire into those matters.
- 108 (6)(a) This section may not be interpreted to insulate a local entity from a claim of
- 109 misuse of assessment funds after the expiration of the period described in Subsection
- 110 (2)(b).
- 111 (b)(i) Except as provided in Subsection (6)(b)(ii), an action in the nature of
- 112 mandamus is the sole form of relief available to a party challenging the misuse of
- 113 assessment funds.
- 114 (ii) The limitation in Subsection (6)(b)(i) does not prohibit the filing of criminal
- 115 charges against or the prosecution of a party for the misuse of assessment funds.
- 116 Section 2. Section **11-42a-102** is amended to read:
- 117 **11-42a-102 . Definitions.**
- 118 (1) "Air quality standards" means that a vehicle's emissions are equal to or cleaner than the
- 119 standards established in bin 4 Table S04-1, of 40 C.F.R. 86.1811-04(c)(6).
- 120 (2)(a) "Assessment" means the assessment that a local entity or the C-PACE district
- 121 levies on private property under this chapter to cover the costs of an energy
- 122 efficiency upgrade, a clean energy system, or an electric vehicle charging
- 123 infrastructure.
- 124 (b) "Assessment" does not constitute a property tax but shares the same priority lien as a
- 125 property tax.
- 126 (3) "Assessment fund" means a special fund that a local entity establishes under Section
- 127 11-42a-206.
- 128 (4) "Benefitted property" means private property within an energy assessment area that
- 129 directly benefits from improvements.
- 130 (5) "Bond" means an assessment bond and a refunding assessment bond.
- 131 (6)(a) "Clean energy system" means an energy system that:
- 132 (i) produces energy from clean resources, including:

- 133 (A) a photovoltaic system;
- 134 (B) a solar thermal system;
- 135 (C) a wind system;
- 136 (D) a geothermal system, including a generation system, a direct-use system, or a
- 137 ground source heat pump system;
- 138 (E) a micro-hydro system;
- 139 (F) a biofuel system;
- 140 (G) energy derived from nuclear fuel; or
- 141 (H) any other clean source system that the governing body of the local entity
- 142 approves; or
- 143 (ii) stores energy, including:
- 144 (A) a battery storage system; or
- 145 (B) any other energy storing system that the governing body or chief executive
- 146 officer of a local entity approves.
- 147 (b) "Clean energy system" includes any improvement that relates physically or
- 148 functionally to any of the products, systems, or devices listed in Subsection (6)(a)(i)
- 149 or (ii).
- 150 (c) "Clean energy system" does not include a system described in Subsection (6)(a)(i) if
- 151 the system provides energy to property outside the energy assessment area, unless the
- 152 system:
- 153 (i)(A) existed before the creation of the energy assessment area; and
- 154 (B) beginning before January 1, 2017, provides energy to property outside of the
- 155 area that became the energy assessment area;
- 156 (ii) provides energy to property outside the energy assessment area under an
- 157 agreement with a public electrical utility that is substantially similar to agreements
- 158 for other renewable energy systems that are not funded under this chapter; or
- 159 (iii) is a biofuel system.
- 160 (7)(a) "Commercial or industrial real property" means private real property used directly
- 161 or indirectly or held for one of the following purposes or activities, regardless of
- 162 whether the purpose or activity is for profit:
- 163 (i) commercial;
- 164 (ii) mining;
- 165 (iii) agricultural;
- 166 (iv) industrial;

- 167 (v) manufacturing;
- 168 (vi) trade;
- 169 (vii) professional;
- 170 (viii) a private or public club;
- 171 (ix) a lodge;
- 172 (x) a business; or
- 173 (xi) a similar purpose.
- 174 (b) "Commercial or industrial real property" includes:
- 175 (i) private real property that is used as or held for dwelling purposes and contains:
- 176 (A) more than four rental units; or
- 177 (B) one or more owner-occupied or rental condominium units affiliated with a
- 178 hotel; and
- 179 (ii) real property owned by:
- 180 (A) the military installation development authority, created in Section 63H-1-201;
- 181 or
- 182 (B) the Utah Inland Port Authority, created in Section 11-58-201.
- 183 (8) "Contract price" means:
- 184 (a) up to 100% of the cost of installing, acquiring, refinancing, or reimbursing for an
- 185 improvement, as determined by the owner of the property benefitting from the
- 186 improvement; or
- 187 (b) the amount payable to one or more contractors for the assessment, design,
- 188 engineering, inspection, and construction of an improvement.
- 189 (9) "C-PACE" means commercial property assessed clean energy.
- 190 (10) "C-PACE district" means the statewide authority established in Section 11-42a-106 to
- 191 implement the C-PACE Act in collaboration with governing bodies, under the direction
- 192 of OED.
- 193 (11) "Electric vehicle charging infrastructure" means equipment that is:
- 194 (a) permanently affixed to commercial or industrial real property; and
- 195 (b) designed to deliver electric energy to a qualifying electric vehicle or a qualifying
- 196 plug-in hybrid vehicle.
- 197 (12) "Energy assessment area" means an area:
- 198 (a) within the jurisdictional boundaries of a local entity that approves an energy
- 199 assessment area or, if the C-PACE district or a state interlocal entity levies the
- 200 assessment, the C-PACE district or the state interlocal entity;

- 201 (b) containing only the commercial or industrial real property of owners who have  
202 voluntarily consented to an assessment under this chapter for the purpose of  
203 financing the costs of improvements that benefit property within the energy  
204 assessment area; and
- 205 (c) in which the proposed benefitted properties in the area are:
- 206 (i) contiguous; or
- 207 (ii) located on one or more contiguous or adjacent tracts of land that would be  
208 contiguous or adjacent property but for an intervening right-of-way, including a  
209 sidewalk, street, road, fixed guideway, or waterway.
- 210 (13) "Energy assessment bond" means a bond:
- 211 (a) issued under Section 11-42a-401; and
- 212 (b) payable in part or in whole from assessments levied in an energy assessment area.
- 213 (14) "Energy assessment lien" means a lien on property within an energy assessment area  
214 that arises from the levy of an assessment in accordance with Section 11-42a-301.
- 215 (15) "Energy assessment ordinance" means an ordinance that a local entity adopts under  
216 Section 11-42a-201 that:
- 217 (a) designates an energy assessment area;
- 218 (b) levies an assessment on benefitted property within the energy assessment area; and
- 219 (c) if applicable, authorizes the issuance of energy assessment bonds.
- 220 (16) "Energy assessment resolution" means one or more resolutions adopted by a local  
221 entity under Section 11-42a-201 that:
- 222 (a) designates an energy assessment area;
- 223 (b) levies an assessment on benefitted property within the energy assessment area; and
- 224 (c) if applicable, authorizes the issuance of energy assessment bonds.
- 225 (17) "Energy efficiency upgrade" means an improvement that is:
- 226 (a) permanently affixed to commercial or industrial real property; and
- 227 (b) designed to reduce energy or water consumption, including:
- 228 (i) insulation in:
- 229 (A) a wall, roof, floor, or foundation; or
- 230 (B) a heating and cooling distribution system;
- 231 (ii) a window or door, including:
- 232 (A) a storm window or door;
- 233 (B) a multiglazed window or door;
- 234 (C) a heat-absorbing window or door;

- 235 (D) a heat-reflective glazed and coated window or door;
- 236 (E) additional window or door glazing;
- 237 (F) a window or door with reduced glass area; or
- 238 (G) other window or door modifications;
- 239 (iii) an automatic energy control system;
- 240 (iv) in a building or a central plant, a heating, ventilation, or air conditioning and
- 241 distribution system;
- 242 (v) caulk or weatherstripping;
- 243 (vi) a light fixture that does not increase the overall illumination of a building, unless
- 244 an increase is necessary to conform with the applicable building code;
- 245 (vii) an energy recovery system;
- 246 (viii) a daylighting system;
- 247 (ix) measures to reduce the consumption of water, through conservation or more
- 248 efficient use of water, including installation of:
- 249 (A) low-flow toilets and showerheads;
- 250 (B) timer or timing systems for a hot water heater; or
- 251 (C) rain catchment systems;
- 252 (x) a modified, installed, or remodeled fixture that is approved as a utility cost-saving
- 253 measure by the governing body or executive of a local entity;
- 254 (xi) measures or other improvements to effect seismic upgrades;
- 255 (xii) structures, measures, or other improvements to provide automated parking or
- 256 parking that reduces land use;
- 257 (xiii) the extension of an existing natural gas distribution company line;
- 258 (xiv) an energy efficient elevator, escalator, or other vertical transport device;
- 259 (xv) any other improvement that the governing body or executive of a local entity
- 260 approves as an energy efficiency upgrade; or
- 261 (xvi) any improvement that relates physically or functionally to any of the
- 262 improvements listed in Subsections (17)(b)(i) through (xv).
- 263 (18) "Energy system" means a product, system, device, or interacting group of devices that:
- 264 (a) produces or stores energy; and
- 265 (b) is permanently affixed to commercial or industrial real property not located in the
- 266 certified service area of a distribution electrical cooperative, as defined in Section
- 267 54-2-1.
- 268 (19) "Governing body" means:



- 269 (a) for a county, city, or town, the legislative body of the county, city, or town;
- 270 (b) for a special district, the board of trustees of the special district;
- 271 (c) for a special service district:
- 272 (i) if no administrative control board has been appointed under Section 17D-1-301,
- 273 the legislative body of the county, city, town, or metro township that established
- 274 the special service district; or
- 275 (ii) if an administrative control board has been appointed under Section 17D-1-301,
- 276 the administrative control board of the special service district;
- 277 (d) for a public infrastructure district, the board of the public infrastructure district;
- 278 ~~[(d)]~~ (e) for the military installation development authority created in Section 63H-1-201,
- 279 the board, as that term is defined in Section 63H-1-102; and
- 280 ~~[(e)]~~ (f) for the Utah Inland Port Authority, created in Section 11-58-201, the board, as
- 281 defined in Section 11-58-102.
- 282 (20) "Improvement" means a publicly or privately owned energy efficiency upgrade, clean
- 283 energy system, or electric vehicle charging infrastructure that:
- 284 (a) a property owner has requested; or
- 285 (b) has been or is being installed on a property for the benefit of the property owner.
- 286 (21) "Incidental refunding costs" means any costs of issuing a refunding assessment bond
- 287 and calling, retiring, or paying prior bonds, including:
- 288 (a) legal and accounting fees;
- 289 (b) charges of financial advisors, escrow agents, certified public accountant verification
- 290 entities, and trustees;
- 291 (c) underwriting discount costs, printing costs, and the costs of giving notice;
- 292 (d) any premium necessary in the calling or retiring of prior bonds;
- 293 (e) fees to be paid to the local entity to issue the refunding assessment bond and to
- 294 refund the outstanding prior bonds;
- 295 (f) any other costs that the governing body determines are necessary and proper to incur
- 296 in connection with the issuance of a refunding assessment bond; and
- 297 (g) any interest on the prior bonds that is required to be paid in connection with the
- 298 issuance of the refunding assessment bond.
- 299 (22) "Installment payment date" means the date on which an installment payment of an
- 300 assessment is payable.
- 301 (23) "Jurisdictional boundaries" means:
- 302 (a) for the C-PACE district or any state interlocal entity, the boundaries of the state; and

- 303 (b) for each local entity, the boundaries of the local entity.
- 304 (24)(a) "Local entity" means:
- 305 (i) a county, city, or town;
- 306 (ii) a special service district, a special district, or an interlocal entity as that term is
- 307 defined in Section 11-13-103;
- 308 (iii) a public infrastructure district, created under Title 17D, Chapter 4, Public
- 309 Infrastructure District Act;
- 310 [~~(iii)~~] (iv) a state interlocal entity;
- 311 [~~(iv)~~] (v) the military installation development authority, created in Section 63H-1-201;
- 312 [~~(v)~~] (vi) the Utah Inland Port Authority, created in Section 11-58-201; or
- 313 [~~(vi)~~] (vii) any political subdivision of the state.
- 314 (b) "Local entity" includes the C-PACE district solely in connection with:
- 315 (i) the designation of an energy assessment area;
- 316 (ii) the levying of an assessment; and
- 317 (iii) the assignment of an energy assessment lien to a third-party lender under Section
- 318 11-42a-302.
- 319 (25) "Local entity obligations" means energy assessment bonds and refunding assessment
- 320 bonds that a local entity issues.
- 321 (26) "OED" means the Office of Energy Development created in Section 79-6-401.
- 322 (27) "OEM vehicle" means the same as that term is defined in Section 19-1-402.
- 323 (28) "Overhead costs" means the actual costs incurred or the estimated costs to be incurred
- 324 in connection with an energy assessment area, including:
- 325 (a) appraisals, legal fees, filing fees, facilitation fees, and financial advisory charges;
- 326 (b) underwriting fees, placement fees, escrow fees, trustee fees, and paying agent fees;
- 327 (c) publishing and mailing costs;
- 328 (d) costs of levying an assessment;
- 329 (e) recording costs; and
- 330 (f) all other incidental costs.
- 331 (29) "Parameters resolution" means a resolution or ordinance that a local entity adopts in
- 332 accordance with Section 11-42a-201.
- 333 (30) "Prior bonds" means the energy assessment bonds refunded in part or in whole by a
- 334 refunding assessment bond.
- 335 (31) "Prior energy assessment ordinance" means the ordinance levying the assessments
- 336 from which the prior bonds are payable.

- 337 (32) "Prior energy assessment resolution" means the resolution levying the assessments  
338 from which the prior bonds are payable.
- 339 (33) "Property" includes real property and any interest in real property, including water  
340 rights and leasehold rights.
- 341 (34) "Public electrical utility" means a large-scale electric utility as that term is defined in  
342 Section 54-2-1.
- 343 (35) "Qualifying electric vehicle" means a vehicle that:
- 344 (a) meets air quality standards;
- 345 (b) is not fueled by natural gas;
- 346 (c) draws propulsion energy from a battery with at least 10 kilowatt hours of capacity;  
347 and
- 348 (d) is an OEM vehicle except that the vehicle is fueled by a fuel described in Subsection  
349 (35)(c).
- 350 (36) "Qualifying plug-in hybrid vehicle" means a vehicle that:
- 351 (a) meets air quality standards;
- 352 (b) is not fueled by natural gas or propane;
- 353 (c) has a battery capacity that meets or exceeds the battery capacity described in  
354 Subsection 30D(b)(3), Internal Revenue Code; and
- 355 (d) is fueled by a combination of electricity and:
- 356 (i) diesel fuel;
- 357 (ii) gasoline; or
- 358 (iii) a mixture of gasoline and ethanol.
- 359 (37) "Reduced payment obligation" means the full obligation of an owner of property  
360 within an energy assessment area to pay an assessment levied on the property after the  
361 local entity has reduced the assessment because of the issuance of a refunding  
362 assessment bond, in accordance with Section 11-42a-403.
- 363 (38) "Refunding assessment bond" means an assessment bond that a local entity issues  
364 under Section 11-42a-403 to refund, in part or in whole, energy assessment bonds.
- 365 (39) "Special district" means a special district under Title 17B, Limited Purpose Local  
366 Government Entities - Special Districts.
- 367 (40) "Special service district" means the same as that term is defined in Section 17D-1-102.
- 368 (41) "State interlocal entity" means:
- 369 (a) an interlocal entity created under Chapter 13, Interlocal Cooperation Act, by two or  
370 more counties, cities, or towns that collectively represent at least a majority of the

371 state's population; or  
372 (b) an entity that another state authorized, before January 1, 2017, to issue bonds, notes,  
373 or other obligations or refunding obligations to finance or refinance projects in the  
374 state.

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

378 Section 3. Section **17B-1-304** is amended to read:

379 **17B-1-304 . Appointment procedures for appointed members -- Notice of**  
380 **vacancy.**

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

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

- 385 (i) the positions that are vacant that shall be filled by appointment;  
386 (ii) the qualifications required to be appointed to those positions;  
387 (iii) the procedures for appointment that the governing body will follow in making  
388 those appointments; and  
389 (iv) the person to be contacted and any deadlines that a person shall meet who wishes  
390 to be considered for appointment to those positions.

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

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

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

400 (b) The appointing authority shall:

- 401 (i) comply with Title 52, Chapter 4, Open and Public Meetings Act, in making the  
402 appointment;  
403 (ii) allow any interested persons to be heard; and  
404 (iii) adopt a resolution appointing a person to the special district board.

- 405 (c) If no candidate for appointment to fill the vacancy receives a majority vote of the  
 406 appointing authority, the appointing authority shall select the appointee from the two  
 407 top candidates by lot.
- 408 (4) Persons appointed to serve as members of the special district board serve four-year  
 409 terms, but may be removed for cause at any time after a hearing by two-thirds vote of  
 410 the appointing body.
- 411 (5)(a) At the end of each board member's term, the position is considered vacant, and,  
 412 after following the appointment procedures established in this section, the appointing  
 413 authority may either reappoint the incumbent board member or appoint a new  
 414 member.
- 415 (b) Notwithstanding Subsection (5)(a), a board member may continue to serve until a  
 416 successor is elected or appointed and qualified in accordance with Subsection  
 417 17B-1-303(2)(b).
- 418 (6) Notwithstanding any other provision of this section, if the appointing authority appoints  
 419 one of its own members and that member meets all applicable statutory board member  
 420 qualifications, the appointing authority need not comply with Subsection (2) or (3).
- 421 (7)(a) This section does not apply to the appointment of a member of a public  
 422 infrastructure district board.
- 423 (b) Section 17D-4-202 governs the appointment process for a member of the board of a  
 424 public infrastructure district.
- 425 Section 4. Section **17B-1-1102** is amended to read:
- 426 **17B-1-1102 . General obligation bonds.**
- 427 (1) Except as provided in Subsections (3) and (7), if a district intends to issue general  
 428 obligation bonds, the district shall first obtain the approval of district voters for issuance  
 429 of the bonds at an election held for that purpose as provided in Title 11, Chapter 14,  
 430 Local Government Bonding Act.
- 431 (2) General obligation bonds shall be secured by a pledge of the full faith and credit of the  
 432 district, subject to, for a water conservancy district, the property tax levy limits of  
 433 Section 17B-2a-1006.
- 434 (3) A district may issue refunding general obligation bonds, as provided in Title 11,  
 435 Chapter 27, Utah Refunding Bond Act, without obtaining voter approval.
- 436 (4)(a) A special district may not issue general obligation bonds if the issuance of the  
 437 bonds will cause the outstanding principal amount of all of the district's general  
 438 obligation bonds to exceed the amount that results from multiplying the fair market

- 439 value of the taxable property within the district, as determined under Subsection  
440 11-14-301(3)(b), by a number that is:
- 441 (i) .05, for a basic special district, except as provided in Subsection (7);
  - 442 (ii) .004, for a cemetery maintenance district;
  - 443 (iii) .002, for a drainage district;
  - 444 (iv) .004, for a fire protection district;
  - 445 (v) .024, for an improvement district;
  - 446 (vi) .1, for an irrigation district;
  - 447 (vii) .1, for a metropolitan water district;
  - 448 (viii) .0004, for a mosquito abatement district;
  - 449 (ix) .03, for a public transit district;
  - 450 (x) .12, for a service area; or
  - 451 (xi) .05 for a municipal services district.
- 452 (b) Bonds or other obligations of a special district that are not general obligation bonds  
453 are not included in the limit stated in Subsection (4)(a).
- 454 (5) A district may not be considered to be a municipal corporation for purposes of the debt  
455 limitation of the Utah Constitution, Article XIV, Section 4.
- 456 (6) Bonds issued by an administrative or legal entity created under Title 11, Chapter 13,  
457 Interlocal Cooperation Act, may not be considered to be bonds of a special district that  
458 participates in the agreement creating the administrative or legal entity.
- 459 (7)(a) As used in this Subsection (7), "property owner district" means a special district  
460 whose board members are elected by property owners, as provided in Subsection  
461 17B-1-1402(1)(b).
- 462 (b) A property owner district may issue a general obligation bond with the consent of:
- 463 (i) the owners of all property within the district; and
  - 464 (ii) all registered voters, if any, within the boundary of the district.
- 465 (c) A property owner district may use proceeds from a bond issued under this Subsection  
466 (7) to fund:
- 467 (i) the acquisition and construction of a system or improvement authorized in:
    - 468 (A) the district's creation resolution; [and] or
    - 469 (B) Part 14, Basic Special District; and
  - 470 (ii) a connection outside the boundary of the district between systems or  
471 improvements within the boundary of the district.
- 472 (d) The consent under Subsection (7)(b) is sufficient for any requirement necessary for

- 473 the issuance of a general obligation bond.
- 474 (e) A general obligation bond issued under this Subsection (7):
- 475 (i) shall mature no later than 40 years after the date of issuance; and
- 476 (ii) is not subject to the limit under Subsection (4)(a)(i).
- 477 (f)(i) A property owner district may not issue a general obligation bond under this
- 478 Subsection (7) if the issuance will cause the outstanding principal amount of all
- 479 the district's general obligation bonds to exceed one-half of the market value of all
- 480 real property within the district.
- 481 (ii) Market value under Subsection (7)(f)(i) shall:
- 482 (A) be based on the value that the real property will have after all improvements
- 483 financed by the general obligation bonds are constructed; and
- 484 (B) be determined by appraisal by an appraiser who is a member of the Appraisal
- 485 Institute.
- 486 (g) With respect to a general obligation bond issued under this Subsection (7), the board
- 487 of a property owner district may approve or, by resolution, delegate to one or more
- 488 officers of the district, the authority to:
- 489 (i) approve the final interest rate, price, principal amount, maturity, redemption
- 490 features, and other terms of the bond;
- 491 (ii) approve and execute a document relating to the issuance of the bond; and
- 492 (iii) approve a contract, including a contract with a property owner within the district,
- 493 related to the acquisition and construction of an improvement, facility, or property
- 494 to be financed with proceeds from the bond.
- 495 (h)(i) A person may commence a lawsuit or other proceeding to contest the legality
- 496 of the issuance of a general obligation bond issued under this Subsection (7) or
- 497 any provision relating to the security or payment of the bond if the lawsuit or
- 498 other proceeding is commenced within 30 days after the publication of:
- 499 (A) the resolution authorizing the issuance of the general obligation bond; or
- 500 (B) a notice of the bond issuance containing substantially the items required under
- 501 Subsection 11-14-316(2).
- 502 (ii) Following the period described in Subsection (7)(h)(i), no person may bring a
- 503 lawsuit or other proceeding to contest for any reason the regularity, formality, or
- 504 legality of a general obligation bond issued under this Subsection (7).
- 505 (i)[(†)] A property owner district that charges and collects an impact fee or other fee
- 506 on real property [~~at the time the real property is sold may proportionally pay down~~

507 a general obligation bond issued under this Subsection (7) from the money  
 508 collected from the impact fee or other fee] may pledge all or a portion of the  
 509 revenue collected from the impact fee or other fee toward payment of a general  
 510 obligation bond issued under this Subsection (7).

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

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

521 Section 5. Section **17B-1-1404** is enacted to read:

522 **17B-1-1404 . Basic special district authorized to create a public infrastructure**  
 523 **district -- Basic special district authorized to fund certain projects and services.**

524 (1)(a) Subject to Subsection (2), a basic special district may create a public infrastructure  
 525 district, in accordance with Title 17D, Chapter 4, Public Infrastructure District Act,  
 526 for any area located within the boundaries of the basic special district.

527 (b) A basic special district that creates a public infrastructure district is the creating  
 528 entity for purposes of Title 17D, Chapter 4, Public Infrastructure District Act, and  
 529 shall receive any petitions required to be submitted to a creating entity.

530 (2) When a public infrastructure district is created pursuant to this section:

531 (a) the public infrastructure district shall have the same powers as the basic special  
 532 district that is the public infrastructure district's creating entity; and

533 (b) upon creation of the public infrastructure district, the area within the public  
 534 infrastructure district shall automatically be withdrawn from the basic special district  
 535 and shall no longer be part of the basic special district.

536 (3) In addition to the requirements of Section 17D-4-202, a basic special district shall  
 537 ensure that the governing document for a public infrastructure district created under this  
 538 section provides for the election of the initial and future boards of the public  
 539 infrastructure district using the same method as the election of the board of the basic  
 540 special district.



- 541 (4) In addition to the other powers described in this part, a basic special district may:
- 542 (a) fund, in whole or in part, the acquisition and construction of a public facility for use
- 543 by one or more government entities;
- 544 (b) transfer the basic special district's ownership interest in a public facility to another
- 545 political subdivision pursuant to a written agreement between the basic special
- 546 district and the receiving political subdivision; and
- 547 (c) fund, in whole or in part, the acquisition or construction of:
- 548 (i) privately owned affordable housing, consisting of single-family dwellings or
- 549 townhomes;
- 550 (ii) facilities for recreation, community arts, or an amphitheater, whether those
- 551 facilities are publicly or privately owned; and
- 552 (iii) a privately owned grocery store, if there is not a grocery store located within the
- 553 basic special district's boundary.

554 Section 6. Section **17D-4-102** is amended to read:

555 **17D-4-102 . Definitions.**

556 As used in this chapter:

- 557 (1) "Board" means the board of trustees of a public infrastructure district.
- 558 (2) "Creating entity" means the county, municipality, basic special district, or development
- 559 authority that approves the creation of a public infrastructure district.
- 560 (3) "Development authority" means:
- 561 (a) the Utah Inland Port Authority created in Section 11-58-201;
- 562 (b) the Point of the Mountain State Land Authority created in Section 11-59-201;
- 563 (c) the Utah Fairpark Area Investment and Restoration District created in Section
- 564 11-70-201; or
- 565 (d) the military installation development authority created in Section 63H-1-201.
- 566 (4) "District applicant" means the person proposing the creation of a public infrastructure
- 567 district.
- 568 (5) "Division" means a division of a public infrastructure district:
- 569 (a) that is relatively equal in number of eligible voters or potential eligible voters to all
- 570 other divisions within the public infrastructure district, taking into account existing or
- 571 potential developments which, when completed, would increase or decrease the
- 572 population within the public infrastructure district; and
- 573 (b) which a member of the board represents.
- 574 (6) "Governing document" means the document governing a public infrastructure district to

575 which the creating entity agrees before the creation of the public infrastructure district,  
576 as amended from time to time, and subject to the limitations of Title 17B, Chapter 1,  
577 Provisions Applicable to All Special Districts, and this chapter.

578 (7)(a) "Limited tax bond" means a bond:

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

581 (A) by a public infrastructure district that issues the bond; and

582 (B) on taxable property within the district;

583 (ii) that is a general obligation of the public infrastructure district; and

584 (iii) for which the ad valorem property tax levy for repayment of the bond does not  
585 exceed the property tax levy rate limit established under Section 17D-4-303 for  
586 any fiscal year, except as provided in Subsection [~~17D-4-301(8)~~] 17D-4-301(13).

587 (b) "Limited tax bond" does not include:

588 (i) a short-term bond;

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

590 (iii) a special assessment bond.

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

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

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

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

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

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

601 (b) "Municipal advisor" may include:

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

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

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

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

607 (b) the same as that term is defined in Section 11-70-101, for a public infrastructure

608 district created by the Utah Fairpark Area Investment and Restoration District created

- 609 in Section 11-70-201;[~~and~~]
- 610 (c) the same as that term is defined in Section 63H-1-102, for a public infrastructure
- 611 district created by the military installation development authority created in Section
- 612 63H-1-201[~~;~~] ; and
- 613 (d) for any public infrastructure district, infrastructure, utilities, improvements, facilities,
- 614 buildings, or remediation that:
- 615 (i) benefit the public and are owned by a public entity or a utility;
- 616 (ii) benefit the public and are publicly maintained or operated by a public entity; or
- 617 (iii) are privately owned and provide a substantial benefit, as determined by the board
- 618 of the public infrastructure district, to:
- 619 (A) the development and operation of the public infrastructure district; or
- 620 (B) the residents or property owners within the boundaries of the public
- 621 infrastructure district.

622 Section 7. Section **17D-4-103** is amended to read:

623 **17D-4-103 . Provisions applicable to public infrastructure districts.**

- 624 (1) A public infrastructure district:
- 625 (a) is a body corporate and politic with perpetual succession;
- 626 (b) is a quasi-municipal corporation;
- 627 (c) is a political subdivision of the state;
- 628 (d) is separate and distinct from, and independent of, any other public entity or political
- 629 subdivision of the state; and
- 630 (e) may sue and be sued.
- 631 (2) Each public infrastructure district is governed by and has the powers stated in:
- 632 (a) this chapter; and
- 633 (b) Title 17B, Chapter 1, Provisions Applicable to All Special Districts.
- 634 ~~[(2)]~~ (3) This chapter applies only to a public infrastructure district.
- 635 ~~[(3)]~~ (4) Except as modified or exempted by this chapter, a public infrastructure district is[~~;~~] :
- 636 (a) to the same extent as if the public infrastructure district were a special district,
- 637 subject to the provisions in:
- 638 ~~[(a)]~~ (i) Title 17B, Chapter 1, Provisions Applicable to All Special Districts; and
- 639 ~~[(b)]~~ (ii) Title 20A, Election Code[~~;~~] ; and
- 640 (b) subject to the provisions in Title 11, Chapter 42a, Commercial Property Assessed
- 641 Clean Energy Act.
- 642 ~~[(4)]~~ (5) If there is a conflict between a provision in Title 17B, Chapter 1, Provisions

643 Applicable to All Special Districts, and a provision in this chapter, the provision in this  
 644 chapter supersedes the conflicting provision in Title 17B, Chapter 1, Provisions  
 645 Applicable to All Special Districts.

646 [(5)] (6) The annexation of an unincorporated area by a municipality or the adjustment of a  
 647 boundary shared by more than one municipality does not affect the boundaries of a  
 648 public infrastructure district.

649 Section 8. Section **17D-4-104** is enacted to read:

650 **17D-4-104 . Conditions where property owner consent is not required.**

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

656 (1) an easement;

657 (2) a right-of-way; or

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

659 Section 9. Section **17D-4-201** is amended to read:

660 **17D-4-201 . Creation -- Annexation or withdrawal of property.**

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

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

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

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

672 (A) "Military [~~Land~~] land" means the same as that term is defined in Section  
 673 63H-1-102.

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

675 (ii) Notwithstanding Title 17B, Chapter 1, Part 2, Creation of a Special District, and  
 676 any other provision of this chapter, a development authority may adopt a

677 resolution creating a public infrastructure district if all owners of surface property  
678 proposed to be included within the public infrastructure district consent in writing  
679 to the creation of the public infrastructure district.

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

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

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

688 (i) Section 17B-1-203;

689 (ii) Section 17B-1-204;

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

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

692 (v) Section 17B-1-214.

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

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

697 [~~(ii) 100% of the surface property owners within the applicable area approving the~~  
698 ~~creation of the public infrastructure district.~~

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

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

703 [~~(i) ] may be certified under Section 17B-1-209[; and] .~~

704 [~~(ii) shall be filed with the lieutenant governor in accordance with Subsection~~  
705 ~~17B-1-215(1)(b)(iii).]~~

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

710 (3)[~~(a)~~] Notwithstanding Title 17B, Chapter 1, Part 4, Annexation, an area outside of the

711 boundaries of a public infrastructure district may be annexed into the public  
712 infrastructure district if the following requirements are met:

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

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

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

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

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

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

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

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

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

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

740 ~~[(ii) if there are any registered voters within the area proposed to be withdrawn, a  
741 petition is filed with the creating entity that contains the signatures of 100% of  
742 registered voters within the area, demonstrating that the registered voters approve  
743 of the withdrawal from the public infrastructure district; and]~~

744 ~~[(iii)]~~ (ii) a petition is filed with the ~~[creating entity]~~ public infrastructure district that

- 745 contains the signatures of 100% of surface property owners within the area  
 746 proposed to be withdrawn, demonstrating that the surface property owners consent  
 747 to the withdrawal from the public infrastructure district.
- 748 (b) If any bonds that the public infrastructure district issues are allocable to the area to  
 749 be withdrawn remain unpaid at the time of the proposed withdrawal, the property  
 750 remains subject to any taxes, fees, or assessments that the public infrastructure  
 751 district imposes until the bonds or any associated refunding bonds are paid.
- 752 (c) Upon meeting the requirements of ~~[Subsections]~~ Subsection (3) or (4)(a)~~[and (b)]~~,  
 753 the board shall:
- 754 (i) [-] within 30 days of the day on which a resolution is adopted or a petition is filed  
 755 under Subsection (3) or (4)(a), file with the lieutenant governor:
- 756 (A) a copy of a notice of impending boundary action, as defined in Section  
 757 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and  
 758 (B) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5;  
 759 and
- 760 (ii) comply with the requirements of Section 17B-1-512, except:
- 761 (A) Subsections 17B-1-512(1)(b) and (c) do not apply; and  
 762 (B) the time periods described in this section govern.
- 763 (5) A creating entity may impose limitations on the powers of a public infrastructure district  
 764 through the governing document.
- 765 (6)(a) A public infrastructure district is separate and distinct from the creating entity.
- 766 (b)(i) Except as provided in Subsection (6)(b)(ii), any financial burden of a public  
 767 infrastructure district:
- 768 (A) is borne solely by the public infrastructure district; and  
 769 (B) is not borne by the creating entity, by the state, or by any municipality,  
 770 county, or other political subdivision.
- 771 (ii) Notwithstanding Subsection (6)(b)(i) and Section 17B-1-216, the governing  
 772 document may require:
- 773 (A) the district applicant to bear the initial costs of the public infrastructure  
 774 district; and  
 775 (B) the public infrastructure district to reimburse the district applicant for the  
 776 initial costs the creating entity bears.
- 777 (iii) Nothing in this Subsection (6) precludes a public infrastructure district from  
 778 qualifying directly for an impact fee offset, credit, or refund under Title 11,

779 Chapter 36a, Impact Fees Act, regarding any qualifying system improvements  
 780 financed by the public infrastructure district.

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

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

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

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

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

- 796 (a) historical performance of the district applicant;
- 797 (b) compliance with the creating entity's master plan;
- 798 (c) credit worthiness of the district applicant;
- 799 (d) plan of finance of the public infrastructure district; and
- 800 (e) proposed development within the public infrastructure district.

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

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

806 Section 10. Section **17D-4-202** is amended to read:

807 **17D-4-202 . Public infrastructure district board -- Governing document.**

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

811 (b) A governing document approved by the legislative body or board of the creating  
 812 entity may provide for the board of a public infrastructure district to, upon a vacancy



813 on the board, appoint an individual to the board so long as the individual meets the  
814 requirements to serve on a public infrastructure district board described in this  
815 section.

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

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

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

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

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

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

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

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

838 (e) A member of the board who is appointed shall continue to serve on the board of the  
839 public infrastructure district until a replacement board member is appointed.

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

842 (i) all of the surface property owners consent to the waiver of the residency  
843 requirement;

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

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

846 or

- 847 (iv) no qualified individual files a declaration of candidacy for a board position in  
848 accordance with Subsection 17B-1-306(5).
- 849 (b) Except under the circumstances described in Subsection (3)(a)(iii) or (iv), the  
850 residency requirement in Subsection 17B-1-302(1)(b) is applicable to any board  
851 member elected for a division or board position that has transitioned from an  
852 appointed to an elected board member in accordance with this section.
- 853 (c) An individual who is not a resident within the boundaries of the public infrastructure  
854 district may not serve as a board member unless the individual is:
- 855 (i) an owner of land or an agent or officer of the owner of land within the boundaries  
856 of the public infrastructure district; and
- 857 (ii) a registered voter at the individual's primary residence.
- 858 (d) If the creating entity determines that a public infrastructure district is not anticipated  
859 to have permanent residents within the public infrastructure district's boundaries, or is  
860 anticipated to be primarily composed of non-residential property or non-primary  
861 residential property, a governing document may allow the creating entity to continue  
862 to appoint a property owner, or the agent of a property owner, to the public  
863 infrastructure district board.
- 864 (e) A governing document may allow for a property owner to recommend a property  
865 owner or a property owner's agent for appointment to the public infrastructure district  
866 board in numbers proportional to the property owner's ownership of land, or value of  
867 land, within a public infrastructure district.
- 868 (4)(a) A governing document may provide for a transition from legislative body  
869 appointment under Subsection (1) to a method of election by registered voters based  
870 upon milestones or events that the governing document identifies, including a  
871 milestone for each division or individual board position providing that when the  
872 milestone is reached:
- 873 (i) for a division, the registered voters of the division elect a member of the board in  
874 place of an appointed member at the next municipal general election for the board  
875 position; or
- 876 (ii) for an at large board position established in the governing document, the  
877 registered voters of the public infrastructure district elect a member of the board in  
878 place of an appointed member at the next municipal general election for the board  
879 position.
- 880 (b) Regardless of whether a board member is elected under Subsection (4)(a), the

881 position of each remaining board member shall continue to be appointed under  
882 Subsection (1) until the member's respective division or board position surpasses the  
883 density milestone described in the governing document.

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

889 (b) In reestablishing division boundaries under Subsection (5)(a), the board shall  
890 consider existing or potential developments within the divisions that, when  
891 completed, would increase or decrease the number of eligible voters within the  
892 division.

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

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

899 (7) A governing document shall:

900 (a) include a boundary description and a map of the public infrastructure district;

901 (b) state the number of board members;

902 (c) describe any divisions of the public infrastructure district;

903 (d) establish any applicable property tax levy rate limit for the public infrastructure  
904 district;

905 (e) establish any applicable limitation on the principal amount of indebtedness for the  
906 public infrastructure district; and

907 (f) include other information that the public infrastructure district or the creating entity  
908 determines to be necessary or advisable.

909 (8)(a) Except as provided in Subsection (8)(b), the board and the governing body of the  
910 creating entity may amend a governing document by each adopting a resolution that  
911 approves the amended governing document.

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

914 [(i)] 100% of surface property owners within the boundaries of the public

915 infrastructure district~~[-and] .~~  
 916 [(ii) 100% of the registered voters, if any, within the boundaries of the public  
 917 infrastructure district.]

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

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

921 (i) before any appointment or election; and

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

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

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

928 Section 11. Section **17D-4-203** is amended to read:

929 **17D-4-203 . Public infrastructure district powers.**

930 A public infrastructure district:

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

932 (2) may:

933 (a) issue negotiable bonds to pay:

934 (i) all or part of the costs of acquiring, acquiring an interest in, improving, or  
 935 extending any of the improvements, facilities, or property allowed under Section  
 936 11-14-103;

937 (ii) capital costs of improvements in an energy assessment area, as defined in Section  
 938 11-42a-102, and other related costs, against the funds that the public infrastructure  
 939 district will receive because of an assessment in an energy assessment area~~[-as~~  
 940 ~~defined in Section 11-42a-102];~~

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

942 (iv) capital costs related to public transportation;

943 (v) ~~[for a public infrastructure district created by a development authority, ]~~the cost  
 944 of acquiring or financing public infrastructure and improvements; and

945 (vi) for a public infrastructure district that is a subsidiary of or created by the Utah  
 946 Inland Port Authority, the costs associated with a remediation project, as defined  
 947 in Section 11-58-102;

948 (b) enter into an interlocal agreement in accordance with Title 11, Chapter 13, Interlocal

- 949 Cooperation Act, provided that the interlocal agreement may not expand the powers  
 950 of the public infrastructure district, within the limitations of Title 11, Chapter 13,  
 951 Interlocal Cooperation Act, without the consent of the creating entity;
- 952 (c) notwithstanding any other provision in code, acquire completed or partially  
 953 completed improvements, including related design and consulting services and  
 954 related work product, for fair market value as reasonably determined by:
- 955 (i) the board;
- 956 (ii) the creating entity, if required in the governing document; or
- 957 (iii) a surveyor or engineer that a public infrastructure district employs or engages to  
 958 perform the necessary engineering services for and to supervise the construction  
 959 or installation of the improvements;
- 960 (d) contract with the creating entity for the creating entity to provide administrative  
 961 services on behalf of the public infrastructure district, when agreed to by both parties,  
 962 in order to achieve cost savings and economic efficiencies, at the discretion of the  
 963 creating entity; [~~and~~]
- 964 (e) for a public infrastructure district created by a development authority:
- 965 (i)(A) operate and maintain public infrastructure and improvements the district  
 966 acquires or finances; and
- 967 (B) use fees, assessments, or taxes to pay for the operation and maintenance of  
 968 those public infrastructure and improvements; and
- 969 (ii) issue bonds under Title 11, Chapter 42, Assessment Area Act; and
- 970 (f) for a public infrastructure district that is a subsidiary of or created by the Utah Inland  
 971 Port Authority, pay for costs associated with a remediation project, as defined in  
 972 Section 11-58-102, of the Utah Inland Port Authority.

973 Section 12. Section **17D-4-204** is amended to read:

974 **17D-4-204 . Relation to other local entities.**

- 975 (1) Notwithstanding the creation of a public infrastructure district, the creating entity and  
 976 any other public entity, as applicable, retains all of the entity's authority over all zoning,  
 977 planning, design specifications and approvals, and permitting within the public  
 978 infrastructure district.
- 979 (2) The inclusion of property within the boundaries of a public infrastructure district does  
 980 not preclude the inclusion of the property within any other special district.
- 981 (3)(a) All infrastructure that is connected to another public entity's system:
- 982 (i) belongs to that public entity, regardless of inclusion within the boundaries of a

983 public infrastructure district, unless the public infrastructure district and the public  
984 entity otherwise agree; and

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

987 (b) A public infrastructure district shall convey or transfer the infrastructure described in  
988 Subsection (3)(a) free of liens or financial encumbrances to the public entity at no  
989 cost to the public entity.

990 (4)(a) No public entity or private person shall receive funds from any portion of a public  
991 infrastructure district's property tax revenue without a resolution of the public  
992 infrastructure district's board authorizing the public entity or private person to receive  
993 the funds.

994 (b) Subsection (4)(a) does not apply to the county's expenses related to collecting  
995 property tax in accordance with Title 59, Chapter 2, Part 12, Property Tax Act.

996 (c) Subsection (4)(a) applies notwithstanding any provision in:

997 (i) Title 17C, Limited Purpose Local Government Entities - Community  
998 Reinvestment Agency Act;

999 (ii) Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;

1000 (iii) a statute governing a development authority created under Utah Constitution,  
1001 Article XI; or

1002 (iv) a provision of code related to the collection, distribution, or sharing of tax  
1003 increment, incremental property tax increases, or actions related to the collection,  
1004 distribution, or sharing of tax increment or incremental property tax increases.

1005 Section 13. Section **17D-4-301** is amended to read:

1006 **17D-4-301 . Public infrastructure district bonds.**

1007 (1)(a) Subject to Subsection (1)(b), a public infrastructure district may issue negotiable  
1008 bonds or other debt instruments for the purposes described in Section 17D-4-203, as  
1009 provided in, as applicable:

1010 (i) Title 11, Chapter 14, Local Government Bonding Act;

1011 (ii) Title 11, Chapter 27, Utah Refunding Bond Act;

1012 (iii) Title 11, Chapter 42, Assessment Area Act;

1013 (iv) Title 11, Chapter 42a, Commercial Property Assessed Clean Energy Act; and

1014 [~~(iv)~~] (v) this section.

1015 (b) A public infrastructure district created by a bonding political subdivision, as defined  
1016 in Section 63C-25-101, may not issue bonds under this part unless the board first:

- 1017 (i) adopts a parameters resolution for the bonds that sets forth:
- 1018 (A) the maximum:
- 1019 (I) amount of bonds;
- 1020 (II) term; and
- 1021 (III) interest rate; and
- 1022 (B) the expected security for the bonds; and
- 1023 (ii) submits the parameters resolution for review and recommendation to the State
- 1024 Finance Review Commission created in Section 63C-25-201.
- 1025 (2) A public infrastructure district bond[;]
- 1026 [~~(a)~~] shall mature within 40 years of the date of issuance[; and] .
- 1027 [~~(b)~~] may not be secured by any improvement or facility paid for by the public
- 1028 infrastructure district.]
- 1029 (3)(a) A public infrastructure district may issue a limited tax bond, in the same manner
- 1030 as a general obligation bond:
- 1031 (i)(A) with the consent of 100% of surface property owners within the boundaries
- 1032 of the public infrastructure district; and[~~100%~~]
- 1033 (B) with the consent of a majority of the registered voters, if any, within the
- 1034 boundaries of the proposed public infrastructure district as of the day on which
- 1035 the board finds that the consent of a majority of registered voters has been
- 1036 obtained; or
- 1037 (ii) upon approval of a majority of the registered voters within the boundaries of the
- 1038 public infrastructure district voting in an election held for that purpose under Title
- 1039 11, Chapter 14, Local Government Bonding Act.
- 1040 (b) A limited tax bond described in Subsection (3)(a):
- 1041 (i) is not subject to the limitation on a general obligation bond described in
- 1042 Subsection 17B-1-1102(4); and
- 1043 (ii) is subject to a limitation, if any, on the principal amount of indebtedness as
- 1044 described in the governing document.
- 1045 (c) Unless limited tax bonds are initially purchased exclusively by one or more qualified
- 1046 institutional buyers as defined in Rule 144A, 17 C.F.R. Sec. 230.144A, or an
- 1047 investment grade rating is obtained for the limited tax bonds by one or more
- 1048 nationally recognized rating agencies, the public infrastructure district may only issue
- 1049 limited tax bonds in denominations of not less than \$500,000, and in integral
- 1050 multiples above \$500,000 of not less than \$1,000 each.

- 1051 (d)(i) Without any further election or consent of property owners or registered voters,  
 1052 a public infrastructure district may convert a limited tax bond described in  
 1053 Subsection (3)(a) to a general obligation bond if the principal amount of the  
 1054 related limited tax bond together with the principal amount of other related  
 1055 outstanding general obligation bonds of the public infrastructure district does not  
 1056 exceed 15% of the fair market value of taxable property in the public  
 1057 infrastructure district securing the general obligation bonds, determined by:
- 1058 (A) an appraisal from an appraiser who is a member of the Appraisal Institute that
  - 1059 is addressed to the public infrastructure district or a financial institution; or
  - 1060 (B) the most recent market value of the property from the assessor of the county in
  - 1061 which the property is located.
- 1062 (ii) The consent to the issuance of a limited tax bond described in Subsection (3)(a) is  
 1063 sufficient to meet any statutory or constitutional election requirement necessary  
 1064 for the issuance of the limited tax bond and any general obligation bond to be  
 1065 issued in place of the limited tax bond upon meeting the requirements of this  
 1066 Subsection (3)(d).
- 1067 [~~(iii) A general obligation bond resulting from a conversion of a limited tax bond~~  
 1068 ~~under this Subsection (3)(d) is not subject to the limitation on general obligation~~  
 1069 ~~bonds described in Subsection 17B-1-1102(4)(a)(xii).]~~
- 1070 (e) A public infrastructure district that levies a property tax for payment of debt service  
 1071 on a limited tax bond issued under this section is not required to comply with the  
 1072 notice and hearing requirements of Section 59-2-919 unless the rate exceeds the rate  
 1073 established in:
- 1074 (i) Section 17D-4-303, except as provided in Subsection [(8)] (13);
  - 1075 (ii) the governing document; or
  - 1076 (iii) the documents relating to the issuance of the limited tax bond.
- 1077 (4)(a) For a public infrastructure district seeking the consent described in Subsection  
 1078 (3)(a)(i)(B), a public infrastructure district may:
- 1079 (i) post a class A notice under Section 63G-30-102 for at least 30 days; and
  - 1080 (ii) mail a request for consent to each registered voter within the boundaries of the  
 1081 public infrastructure district according to voter registration records.
- 1082 (b) The request for consent described in Subsection (4)(a)(ii) shall include:
- 1083 (i) the purpose for the issuance of the bonds;
  - 1084 (ii) the maximum principal amount of the bonds to be issued;



- 1085            (iii) the maximum tax rate proposed to be pledged for the repayment of the bonds;  
 1086            (iv) the words "For the issuance of bonds" and "Against the issuance of bonds," with  
 1087            appropriate boxes in which the voter may indicate the voter's choice; and  
 1088            (v) a return address and phone number where additional information may be obtained  
 1089            from the public infrastructure district.
- 1090            (c) Any registered voter who does not return the request for consent within 30 days of  
 1091            the day they are mailed to the voter is considered:
- 1092            (i) non-participatory in the request for consent; and  
 1093            (ii) shall not be included in a calculation to determine the percentage of registered  
 1094            voters who consent to the issuance of bonds.
- 1095            (d) If a majority of the registered voters who return the request for consent under this  
 1096            Subsection (4) indicate "For the issuance of bonds," or if no registered voters return  
 1097            the request for consent within the time frame described in Subsection (4)(c), the  
 1098            requirement described in Subsection (3)(a)(i)(B) is met.
- 1099            (e) Nothing in this Subsection (4):
- 1100            (i) prevents a public infrastructure district from obtaining the consent of registered  
 1101            voters for the issuance of a bond through another method; or  
 1102            (ii) shall be interpreted to affect or otherwise interfere with any consents of registered  
 1103            voters obtained before May 7, 2025.
- 1104            (5) Nothing in this section shall be interpreted to:
- 1105            (a) prevent a public infrastructure district from withdrawing property from the public  
 1106            infrastructure district's boundaries where the property owners or registered voters  
 1107            associated with that property do not consent to the issuance of bonds or vote against  
 1108            the issuance of bonds; or
- 1109            (b) require a public infrastructure district to withdraw property from the public  
 1110            infrastructure district's boundaries where the property owners or registered voters  
 1111            associated with that property do not consent to the issuance of bonds or vote against  
 1112            the issuance of bonds.
- 1113            (6)(a) Beginning May 7, 2025, once consent or approval is obtained under Subsection  
 1114            (3)(a), the consent or approval is valid for a period of 10 years from the day on which  
 1115            the board:
- 1116            (i) adopts a resolution or ordinance finding that the consent or approval is obtained;  
 1117            and  
 1118            (ii) publishes a notice of the resolution or ordinance described in Subsection (6)(a)(i)

- 1119 as a class A notice under Section 63G-30-102 for at least 30 days.
- 1120 (b) The tolling provisions of Section 11-14-301 apply during the 10-year period
- 1121 described in Subsection (6)(a).
- 1122 (c) After a public infrastructure district obtains consent or approval under Subsection
- 1123 (3)(a), the public infrastructure district does not require any additional consent to or
- 1124 approval of the issuance of bonds, and the subsequent annexation of property to, or
- 1125 withdrawal of property from, the public infrastructure district does not impact:
- 1126 (i) the validity of already obtained consent or approval;
- 1127 (ii) the 10-year period described in Subsection (6)(a); or
- 1128 (iii) any bond issued, or to be issued, pursuant to the consent or approval that was
- 1129 obtained under Subsection (3)(a).
- 1130 (d) Subsection (6)(a) does not invalidate or alter any consent or approval, or finding of
- 1131 consent or approval, that occurred before May 7, 2025.
- 1132 (7)(a) ~~[There-]~~ Except as provided in Subsection (7)(b), there is no limitation on the
- 1133 duration of revenues that a public infrastructure district may receive to cover any
- 1134 shortfall in the payment of principal of and interest on a bond that the public
- 1135 infrastructure district issues.
- 1136 (b) A public infrastructure governing document or bond documents may limit the
- 1137 duration of time described in Subsection (7)(a).
- 1138 ~~[(5)]~~ (8) Section 11-42-106 governs any action to challenge an assessment imposed by a
- 1139 public infrastructure district or any proceeding to designate an assessment area
- 1140 conducted by a public infrastructure district.
- 1141 (9) A public infrastructure district is not a municipal corporation for purposes of the debt
- 1142 limitation of Utah Constitution, Article XIV, Section 4.
- 1143 ~~[(6)]~~ (10) ~~[The-]~~ Notwithstanding any other provision, the board may[;] directly, or by
- 1144 resolution[;] delegate to one or more officers of the public infrastructure district the
- 1145 authority to:
- 1146 (a) in accordance and within the parameters set forth in a resolution adopted in
- 1147 accordance with Section 11-14-302, approve the final interest rate, price, principal
- 1148 amount, maturity, redemption features, and other terms of the bond;
- 1149 (b) approve and execute any document or contract relating to the issuance of a bond; and
- 1150 (c) approve any contract related to the acquisition and construction of the improvements,
- 1151 facilities, or property to be financed with a bond.
- 1152 (11)(a) Subject to Subsection (11)(b), before a public infrastructure district may issue a

- 1153 limited tax bond, the public infrastructure district shall engage a municipal advisor  
 1154 who, in connection with the issuance of bonds, shall deliver a certificate stating that:
- 1155 (i) the municipal advisor qualifies to serve as a municipal advisor, as defined in  
 1156 Section 17D-4-102, including the basis for the municipal advisor's qualifications;  
 1157 (ii) the structure of the limited tax bond the public infrastructure district is about to  
 1158 issue is a reasonable structure, as of the date of the issuance of the limited tax  
 1159 bond; and  
 1160 (iii) the interest rate of the limited tax bond the public infrastructure district is about  
 1161 to offer is a reasonable market rate, as of the date of the issuance of the limited tax  
 1162 bond.
- 1163 (b) The provisions of this Subsection (11) do not apply to a public infrastructure district  
 1164 created by a development authority.
- 1165 [(7)] (12)(a) Any person may contest the legality of the issuance of a public  
 1166 infrastructure district bond or any provisions for the security and payment of the bond  
 1167 for a period of 30 days after:
- 1168 (i) [~~publication of~~] posting the resolution authorizing the bond as a class A notice  
 1169 under Section 63G-30-102; or  
 1170 (ii) [~~publication of~~] posting a notice of bond containing substantially the items  
 1171 required under Subsection 11-14-316(2) as a class A notice under Section  
 1172 63G-30-102.
- 1173 (b) After the 30-day period described in Subsection [(7)(a)] (12)(a), no person may bring  
 1174 a lawsuit or other proceeding contesting the regularity, formality, or legality of the  
 1175 bond for any reason.
- 1176 [(8)] (13)(a) In the event of any statutory change in the methodology of assessment or  
 1177 collection of property taxes in a manner that reduces the amounts which are devoted  
 1178 or pledged to the repayment of limited tax bonds, a public infrastructure district may  
 1179 charge a rate sufficient to receive the amount of property taxes or assessment the  
 1180 public infrastructure district would have received before the statutory change in order  
 1181 to pay the debt service on outstanding limited tax bonds.
- 1182 (b) The rate increase described in Subsection [(8)(a)] (13)(a) may exceed the limit  
 1183 described in Section 17D-4-303.
- 1184 (c) The public infrastructure district may charge the rate increase described in  
 1185 Subsection [(8)(a)] (13)(a) until the bonds, including any associated refunding bonds,  
 1186 or other securities, together with applicable interest, are fully met and discharged.

1187 ~~[(9)]~~ (14) No later than 60 days after the closing of any bonds by a public infrastructure  
 1188 district created by a bonding political subdivision, as defined in Section 63C-25-101, the  
 1189 public infrastructure district shall report the bond issuance, including the amount of the  
 1190 bonds, terms, interest rate, and security, to:

- 1191 (a) the Executive Appropriations Committee; and
- 1192 (b) the State Finance Review Commission created in Section 63C-25-201.

1193 Section 14. Section **17D-4-302** is amended to read:

1194 **17D-4-302 . Fees.**

1195 (1) [A] In addition to any fees authorized by Title 17B, Chapter 1, Provisions Applicable  
 1196 to All Special Districts, a public infrastructure district may charge a fee ~~[or other charge]~~  
 1197 for an administrative service that the public infrastructure district provides, to pay some  
 1198 or all of the public infrastructure district's:

- 1199 ~~[(1)]~~ (a) costs of acquiring, improving, or extending improvements, facilities, or  
 1200 property; or
- 1201 ~~[(2)]~~ (b) costs associated with the enforcement of a legal remedy.

1202 (2) The board of a public infrastructure district shall establish fees by a fee schedule in  
 1203 ordinance or resolution.

1204 Section 15. Section **17D-4-303** is amended to read:

1205 **17D-4-303 . Limits on public infrastructure district property tax levy -- Notice**  
 1206 **requirements.**

1207 (1) The property tax levy of a public infrastructure district, for all purposes, including  
 1208 payment of debt service on limited tax bonds, may not exceed .015 per dollar of taxable  
 1209 value of taxable property in the district.

1210 (2) The limitation described in Subsection (1) does not apply to the levy by the public  
 1211 infrastructure district to pay principal of and interest on a general obligation bond that  
 1212 the public infrastructure district issues.

1213 (3)(a) Within 30 days after the day on which the lieutenant governor issues a certificate  
 1214 of incorporation for the public infrastructure district under Section 67-1a-6.5, the  
 1215 board shall record a notice with the recorder of the county in which property within  
 1216 the public infrastructure district is located.

1217 (b) The notice described in Subsection (3)(a) shall:

- 1218 (i) contain a description of the boundaries of the public infrastructure district;
- 1219 (ii) state that a copy of the governing document is on file at the office of the creating  
 1220 entity;

- 1221 (iii) state that the public infrastructure district may finance and repay infrastructure  
 1222 and other improvements through the levy of a property tax; and  
 1223 (iv) state the maximum rate that the public infrastructure district may levy.
- 1224 (c) The effective date of the public infrastructure district for purposes of assessing  
 1225 property tax is the day on which the notice is recorded in the office of the recorder of  
 1226 each county in which the public infrastructure district is located, as described in  
 1227 Section 59-2-305.5.
- 1228 (4) If the board fails to record a notice as described in Subsection (3):
- 1229 (a) the public infrastructure district is still created as of the day the lieutenant governor  
 1230 issues a certificate of incorporation for the public infrastructure district;
- 1231 (b) any bonds issued by the public infrastructure district are still valid; and
- 1232 (c) the public infrastructure district may not levy a tax or levy or collect a fee until the  
 1233 board records the notice described in Subsection (3).
- 1234 Section 16. Section **17D-4-305** is amended to read:
- 1235 **17D-4-305 . Action to contest tax, fee, or proceeding -- Requirements -- Exclusive**  
 1236 **remedy -- Bonds, taxes, and fees incontestable.**
- 1237 (1) A person who contests a tax or fee imposed by a public infrastructure district or any  
 1238 proceeding to create a public infrastructure district, levy a tax, or impose a fee may bring  
 1239 a civil action against the public infrastructure district or the creating entity to:
- 1240 (a) set aside the proceeding; or  
 1241 (b) enjoin the levy, imposition, or collection of a tax or fee.
- 1242 (2) The person bringing an action described in Subsection (1):
- 1243 (a) notwithstanding Title 78B, Chapter 3a, Venue for Civil Actions, shall bring the  
 1244 action in the county in which the public infrastructure district is located if the person  
 1245 brings the action in the district court; and
- 1246 (b) may not bring the action against or serve a summons relating to the action on the  
 1247 public infrastructure district more than 30 days after the ~~[effective date of the]~~ day on  
 1248 which:
- 1249 (i) the creation of the public infrastructure district is effective, if the challenge is to  
 1250 the creation of the public infrastructure district;~~[-or]~~
- 1251 (ii) the board of the public infrastructure district adopts a resolution or ordinance  
 1252 establishing a tax or fee, if the challenge is to a tax or fee[-] ; or
- 1253 (iii) the board of the public infrastructure district adopts a resolution or ordinance  
 1254 annexing property to, or withdrawing property from, the public infrastructure

- 1255 district, if the challenge is to an annexation or withdrawal.
- 1256 (3) An action under Subsection (1) is the exclusive remedy of a person who:
- 1257 (a) claims an error or irregularity in a tax or fee or in any proceeding to create a public
- 1258 infrastructure district, levy a tax, or impose a fee; or
- 1259 (b) challenges a bondholder's right to repayment.
- 1260 (4) After the expiration of the 30-day period described in Subsection (2)(b):
- 1261 (a) a bond issued or to be issued with respect to a public infrastructure district and any
- 1262 tax levied or fee imposed becomes incontestable against any person who has not
- 1263 brought an action and served a summons in accordance with this section;
- 1264 (b) a person may not bring a suit to:
- 1265 (i) enjoin the issuance or payment of a bond or the levy, imposition, collection, or
- 1266 enforcement of a tax or fee; or
- 1267 (ii) attack or question in any way the legality of a bond, tax, or fee; and
- 1268 (c) a court may not inquire into the matters described in Subsection (4)(b).
- 1269 (5)(a) This section does not insulate a public infrastructure district from a claim of
- 1270 misuse of funds after the expiration of the 30-day period described in Subsection
- 1271 (2)(b).
- 1272 (b)(i) Except as provided in Subsection (5)(b)(ii), an action in the nature of
- 1273 mandamus is the sole form of relief available to a party challenging the misuse of
- 1274 funds.
- 1275 (ii) The limitation in Subsection (5)(b)(i) does not prohibit the filing of criminal
- 1276 charges against or the prosecution of a party for the misuse of funds.
- 1277 (6) If there is a conflict between a provision in Section 17D-4-301 and a provision in this
- 1278 section, the provision in Section 17D-4-301 supersedes the conflicting provision in this
- 1279 section.
- 1280 Section 17. Section **67-1a-6.5** is amended to read:
- 1281 **67-1a-6.5 . Certification of local entity boundary actions -- Definitions -- Notice**
- 1282 **requirements -- Electronic copies -- Filing.**
- 1283 (1) As used in this section[;]
- 1284 (a) "Applicable certificate" means:
- 1285 (i) for the impending incorporation of a city, town, special district, conservation
- 1286 district, [~~or~~]incorporation of a special district from a reorganized special service
- 1287 district, or public infrastructure district, a certificate of incorporation;
- 1288 (ii) for the impending creation of a county, school district, special service district,

- 1289 community reinvestment agency, or interlocal entity, a certificate of creation;
- 1290 (iii) for the impending annexation of territory to an existing local entity, a certificate
- 1291 of annexation;
- 1292 (iv) for the impending withdrawal or disconnection of territory from an existing local
- 1293 entity, a certificate of withdrawal or disconnection, respectively;
- 1294 (v) for the impending consolidation of multiple local entities, a certificate of
- 1295 consolidation;
- 1296 (vi) for the impending division of a local entity into multiple local entities, a
- 1297 certificate of division;
- 1298 (vii) for the impending adjustment of a common boundary between local entities, a
- 1299 certificate of boundary adjustment; and
- 1300 (viii) for the impending dissolution of a local entity, a certificate of dissolution.
- 1301 (b) "Approved final local entity plat" means a final local entity plat, as defined in
- 1302 Section 17-23-20, that has been approved under Section 17-23-20 as a final local
- 1303 entity plat by the county surveyor.
- 1304 (c) "Approving authority" has the same meaning as defined in Section 17-23-20.
- 1305 (d) "Boundary action" has the same meaning as defined in Section 17-23-20.
- 1306 (e) "Center" means the Utah Geospatial Resource Center created under Section
- 1307 63A-16-505.
- 1308 (f) "Community reinvestment agency" has the same meaning as defined in Section
- 1309 17C-1-102.
- 1310 (g) "Conservation district" has the same meaning as defined in Section 17D-3-102.
- 1311 (h) "Interlocal entity" has the same meaning as defined in Section 11-13-103.
- 1312 (i) "Local entity" means a county, city, town, school district, special district, community
- 1313 reinvestment agency, special service district, conservation district, or interlocal entity.
- 1314 (j) "Notice of an impending boundary action" means a written notice, as described in
- 1315 Subsection (3), that provides notice of an impending boundary action.
- 1316 (k) "Special district" means the same as that term is defined in Section 17B-1-102.
- 1317 (l) "Special service district" means the same as that term is defined in Section 17D-1-102.
- 1318 (2) Within 10 days after receiving a notice of an impending boundary action, the lieutenant
- 1319 governor shall:
- 1320 (a)(i) issue the applicable certificate, if:
- 1321 (A) the lieutenant governor determines that the notice of an impending boundary
- 1322 action meets the requirements of Subsection (3); and

- 1323 (B) except in the case of an impending local entity dissolution, the notice of an  
1324 impending boundary action is accompanied by an approved final local entity  
1325 plat;
- 1326 (ii) send the applicable certificate to the local entity's approving authority;
- 1327 (iii) return the original of the approved final local entity plat to the local entity's  
1328 approving authority;
- 1329 (iv) send a copy of the applicable certificate and approved final local entity plat to:
- 1330 (A) the State Tax Commission;
- 1331 (B) the center; and
- 1332 (C) the county assessor, county surveyor, county auditor, and county attorney of  
1333 each county in which the property depicted on the approved final local entity  
1334 plat is located; and
- 1335 (v) send a copy of the applicable certificate to the state auditor, if the boundary action  
1336 that is the subject of the applicable certificate is:
- 1337 (A) the incorporation or creation of a new local entity;
- 1338 (B) the consolidation of multiple local entities;
- 1339 (C) the division of a local entity into multiple local entities; or
- 1340 (D) the dissolution of a local entity; or
- 1341 (b)(i) send written notification to the approving authority that the lieutenant governor  
1342 is unable to issue the applicable certificate, if:
- 1343 (A) the lieutenant governor determines that the notice of an impending boundary  
1344 action does not meet the requirements of Subsection (3); or
- 1345 (B) the notice of an impending boundary action is:
- 1346 (I) not accompanied by an approved final local entity plat; or
- 1347 (II) accompanied by a plat or final local entity plat that has not been approved  
1348 as a final local entity plat by the county surveyor under Section 17-23-20;  
1349 and
- 1350 (ii) explain in the notification under Subsection (2)(b)(i) why the lieutenant governor  
1351 is unable to issue the applicable certificate.
- 1352 (3) Each notice of an impending boundary action shall:
- 1353 (a) be directed to the lieutenant governor;
- 1354 (b) contain the name of the local entity or, in the case of an incorporation or creation,  
1355 future local entity, whose boundary is affected or established by the boundary action;
- 1356 (c) describe the type of boundary action for which an applicable certificate is sought;



- 1357 (d) be accompanied by a letter from the Utah State Retirement Office, created under  
1358 Section 49-11-201, to the approving authority that identifies the potential provisions  
1359 under Title 49, Utah State Retirement and Insurance Benefit Act, that the local entity  
1360 shall comply with, related to the boundary action, if the boundary action is an  
1361 impending incorporation or creation of a local entity that may result in the  
1362 employment of personnel; and
- 1363 (e)(i) contain a statement, signed and verified by the approving authority, certifying  
1364 that all requirements applicable to the boundary action have been met; or  
1365 (ii) in the case of the dissolution of a municipality, be accompanied by a certified  
1366 copy of the court order approving the dissolution of the municipality.
- 1367 (4) The lieutenant governor may require the approving authority to submit a paper or  
1368 electronic copy of a notice of an impending boundary action and approved final local  
1369 entity plat in conjunction with the filing of the original of those documents.
- 1370 (5)(a) The lieutenant governor shall:
- 1371 (i) keep, index, maintain, and make available to the public each notice of an  
1372 impending boundary action, approved final local entity plat, applicable certificate,  
1373 and other document that the lieutenant governor receives or generates under this  
1374 section;
- 1375 (ii) make a copy of each document listed in Subsection (5)(a)(i) available on the  
1376 Internet for 12 months after the lieutenant governor receives or generates the  
1377 document;
- 1378 (iii) furnish a paper copy of any of the documents listed in Subsection (5)(a)(i) to any  
1379 person who requests a paper copy; and
- 1380 (iv) furnish a certified copy of any of the documents listed in Subsection (5)(a)(i) to  
1381 any person who requests a certified copy.
- 1382 (b) The lieutenant governor may charge a reasonable fee for a paper copy or certified  
1383 copy of a document that the lieutenant governor provides under this Subsection (5).
- 1384 (6) The lieutenant governor's issuance of a certificate of creation for an infrastructure  
1385 financing district constitutes the state's approval of the creation of the infrastructure  
1386 financing district.

1387 Section 18. **Effective Date.**

1388 This bill takes effect:

- 1389 (1) except as provided in Subsection (2), May 7, 2025; or  
1390 (2) if approved by two-thirds of all members elected to each house:

- 1391 (a) upon approval by the governor;
- 1392 (b) without the governor's signature, the day following the constitutional time limit of
- 1393 Utah Constitution, Article VII, Section 8; or
- 1394 (c) in the case of a veto, the date of veto override.