

HB0422S01 compared with HB0422S02

18 **Other Special Clauses:**

19 None

20 **Utah Code Sections Affected:**

21 AMENDS:

22 **17B-1-102** , as last amended by Laws of Utah 2024, Chapters 388, 438

23 **17B-1-1302** , as last amended by Laws of Utah 2024, Chapter 388

24 **17B-1-1303** , as last amended by Laws of Utah 2024, Chapter 388

25 **17B-1-1310** , as last amended by Laws of Utah 2024, Chapter 388

26 **17D-4-104** , as enacted by Laws of Utah 2025, Chapter 347

27 **17D-4-201** , as last amended by Laws of Utah 2025, Chapter 347

28 **17D-4-202** , as last amended by Laws of Utah 2025, Chapter 347

29 **17D-4-202.1** , as enacted by Laws of Utah 2025, Chapter 29

30 **17D-4-301** , as last amended by Laws of Utah 2025, Chapter 347

31 **17D-4-303** , as last amended by Laws of Utah 2025, Chapter 347

ENACTS:

35 ~~{57-1-49, Utah Code Annotated 1953}~~

32

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

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

35 **17B-1-102. Definitions.**

As used in this title:

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

43 (2) "Basic special district":

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

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

47 (3) "Bond" means:

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

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

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- 51 (i) includes an obligation by the district to pay money; and
- 52 (ii) the district's board of trustees, in [its] the board's discretion, treats as a bond for purposes of Title 11,
Chapter 14, Local Government Bonding Act, or Title 11, Chapter 27, Utah Refunding Bond Act.
- 55 (4) "Cemetery maintenance district" means a special district that operates under and is subject to the
provisions of this chapter and Chapter 2a, Part 1, Cemetery Maintenance District Act, including
an entity that was created and operated as a cemetery maintenance district under the law in effect
before April 30, 2007.
- 59 (5) "Drainage district" means a special district that operates under and is subject to the provisions of
this chapter and Chapter 2a, Part 2, Drainage District Act, including an entity that was created and
operated as a drainage district under the law in effect before April 30, 2007.
- 63 (6) "Facility" or "facilities" includes any structure, building, system, land, water right, water, or other
real or personal property required to provide a service that a special district is authorized to provide,
including any related or appurtenant easement or right-of-way, improvement, utility, landscaping,
sidewalk, road, curb, gutter, equipment, or furnishing.
- 68 (7) "Fire protection district" means a special district that operates under and is subject to the provisions
of this chapter and Chapter 2a, Part 3, Fire Protection District Act, including an entity that was
created and operated as a fire protection district under the law in effect before April 30, 2007.
- 72 (8) "General obligation bond":
- 73 (a) means a bond that is directly payable from and secured by ad valorem property taxes that are:
- 75 (i) levied:
- 76 (A) by the district that issues the bond; and
- 77 (B) on taxable property within the district; and
- 78 (ii) in excess of the ad valorem property taxes of the district for the current fiscal year; and
- 80 (b) does not include:
- 81 (i) a short-term bond;
- 82 (ii) a tax and revenue anticipation bond; or
- 83 (iii) a special assessment bond.
- 84 (9) "Improvement assurance" means a surety bond, letter of credit, cash, or other security:
- 85 (a) to guarantee the proper completion of an improvement;
- 86 (b) that is required before a special district may provide a service requested by a service applicant; and
- 88

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

90 (i) provide the requested service; or

91 (ii) commit to provide the requested service.

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

94 (a) comply with standards adopted by a special district; and

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

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

100 (12) "Infrastructure financing district" means a special district that operates under and is subject to the provisions of this chapter and Chapter 2a, Part 13, Infrastructure Financing ~~[Districts]~~ District.

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

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

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

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

116 (17) "Municipality" means a city or town.

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

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

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

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

128 (22) "Public entity" means:

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

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

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

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

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

134 (23) "Public infrastructure district" means an entity that is created under Title 17D, Chapter 4, Public Infrastructure District Act.

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

140 [~~(24)~~] (25) "Revenue bond":

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

143 (b) does not include:

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

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

147 (iii) a special assessment bond.

148 [~~(25)~~] (26) "Rules of order and procedure" means a set of rules that govern and prescribe in a public meeting:

150 (a) parliamentary order and procedure;

151 (b) ethical behavior; and

152 (c) civil discourse.

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155 [(26)] (27) "Service applicant" means a person who requests that a special district provide a service that the special district is authorized to provide.

156 [(27)] (28) "Service area" means a special district that operates under and is subject to the provisions of this chapter and Chapter 2a, Part 9, Service Area Act, including an entity that was created and operated as a county service area or a regional service area under the law in effect before April 30, 2007.

159 [(28)] (29) "Short-term bond" means a bond that is required to be repaid during the fiscal year in which the bond is issued.

161 [(29)] (30) "Special assessment" means an assessment levied against property to pay all or a portion of the costs of making improvements that benefit the property.

163 [(30)] (31) "Special assessment bond" means a bond payable from special assessments.

164 [(31)] (32) "Special district" means a limited purpose local government entity, as described in Section 17B-1-103, that operates under, is subject to, and has the powers described in:

166 (a) this chapter; or

167 (b)

(i) this chapter; and

168 (ii)

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

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

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

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

172 (E) Chapter 2a, Part 5, Irrigation District Act;

173 (F) Chapter 2a, Part 6, Metropolitan Water District Act;

174 (G) Chapter 2a, Part 7, Mosquito Abatement District Act;

175 (H) Chapter 2a, Part 8, Public Transit District Act;

176 (I) Chapter 2a, Part 9, Service Area Act;

177 (J) Chapter 2a, Part 10, Water Conservancy District Act;

178 (K) Chapter 2a, Part 11, Municipal Services District Act; or

179 (L) Chapter 2a, Part 13, Infrastructure Financing Districts.

180 [(32)] (33) "Specialized special district" means a special district that is a cemetery maintenance district, a drainage district, a fire protection district, an improvement district, an irrigation district, a

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metropolitan water district, a mosquito abatement district, a public transit district, a service area, a water conservancy district, a municipal services district, or an infrastructure financing district.

185 [(33)] (34) "Taxable value" means the taxable value of property as computed from the most recent
equalized assessment roll for county purposes.

187 [(34)] (35) "Tax and revenue anticipation bond" means a bond:

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

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

191 [(35)] (36) "Unincorporated" means not included within a municipality.

192 [(36)] (37) "Water conservancy district" means a special district that operates under and is subject to
the provisions of this chapter and Chapter 2a, Part 10, Water Conservancy District Act, including an
entity that was created and operated as a water conservancy district under the law in effect before
April 30, 2007.

196 [(37)] (38) "Works" includes a dam, reservoir, well, canal, conduit, pipeline, drain, tunnel, power plant,
and any facility, improvement, or property necessary or convenient for supplying or treating water
for any beneficial use, and for otherwise accomplishing the purposes of a special district.

196 Section 2. Section **17B-1-1302** is amended to read:

197 **17B-1-1302. Special district dissolution.**

202 (1) A special district may be dissolved as provided in this part.

203 (2) No later than 180 days after the payment of all debt of an infrastructure financing district, the
board of trustees of the infrastructure financing district shall adopt a resolution to dissolve the
infrastructure financing district.

206 (3) The board of trustees of a public infrastructure district, other than a public infrastructure district
created by a development authority that provides ongoing services, shall adopt a resolution to
dissolve the public infrastructure district no later than 180 days after:

209 (a) the public infrastructure district has paid all the public infrastructure district's debts;

210 (b) the public infrastructure district's contractual obligations are satisfied or defeased; and

211 (c) the public infrastructure and improvements described in the governing document are:

212 (i) constructed, repaired, or otherwise completed; and

213 (ii) transferred to the public entity or utility responsible for ownership, operation, and maintenance of
the public infrastructure and improvements.

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211 Section 3. Section **17B-1-1303** is amended to read:

212 **17B-1-1303. Initiation of dissolution process.**

The process to dissolve a special district may be initiated by:

218 (1) for an inactive special district:

219 (a)

(i) for a special district whose board of trustees is elected by electors based on the acre-feet of water allotted to the land owned by the elector, a petition signed by the owners of 25% of the acre-feet of water allotted to the land within the special district; or

223 (ii) for all other districts:

224 (A) a petition signed by the owners of private real property that:

225 (I) is located within the special district proposed to be dissolved;

226 (II) covers at least 25% of the private land area within the special district; and

227 (III) is equal in assessed value to at least 25% of the assessed value of all private real property within the special district; or

229 (B) a petition signed by registered voters residing within the special district proposed to be dissolved equal in number to at least 25% of the number of votes cast in the district for the office of governor at the last regular general election before the filing of the petition; or

233 (b) a resolution adopted by the administrative body;

234 (2) for an active special district, a petition signed by:

235 (a) for a special district whose board of trustees is elected by electors based on the acre-feet of water allotted to the land owned by the elector, the owners of 33% of the acre-feet of water allotted to the land within the special district;

238 (b) for a special district created to acquire or assess a groundwater right for the development and execution of a groundwater management plan in coordination with the state engineer in accordance with Section 73-5-15, the owners of groundwater rights that:

242 (i) are diverted within the district; and

243 (ii) cover at least 33% of the total amount of groundwater diverted in accordance with the groundwater rights within the district as a whole; or

245 (c) for all other districts:

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

247 (A) is located within the special district proposed to be dissolved;

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- 248 (B) covers at least 33% of the private land area within the special district; and
249 (C) is equal in assessed value to at least 25% of the assessed value of all private real property within the
special district; or
251 (ii) 33% of registered voters residing within the special district proposed to be dissolved; or
253 (3) for an infrastructure financing district or public infrastructure district, a resolution adopted by the
board of trustees.

251 Section 4. Section **17B-1-1310** is amended to read:

252 **17B-1-1310. Notice to lieutenant governor -- Recording requirements -- Distribution of
remaining assets.**

- 258 (1)
(a) Within the time specified in Subsection (1)(b), an administrative body shall file with the lieutenant
governor a copy of a notice of an impending boundary action, as defined in Section 67-1a-6.5, that
meets the requirements of Subsection 67-1a-6.5(3).
261 (b) The administrative body shall file a notice of an impending boundary action under Subsection (1)(a)
within 30 days after the day on which, as applicable:
263 (i) the administrative body adopts a resolution approving the dissolution of an inactive special district;
265 (ii) a majority of the voters within an active special district approve the dissolution of the special district
in an election described in Subsection 17B-1-1309(2); or
267 (iii) for an infrastructure financing district or public infrastructure district, the administrative body
adopts a resolution to dissolve the infrastructure financing district or public infrastructure district.
270 (2) Upon the lieutenant governor's issuance of a certificate of dissolution under Section 67-1a-6.5, the
administrative body shall:
272 (a) if the special district was located within the boundary of a single county, submit to the recorder of
that county:
274 (i) the original:
275 (A) notice of an impending boundary action; and
276 (B) certificate of dissolution; and
277 (ii) a certified copy of the resolution that the administrative body adopts under Subsection
17B-1-1308(1); or
279 (b) if the special district was located within the boundaries of more than a single county:
280 (i) submit to the recorder of one of those counties:

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- 281 (A) the original notice of an impending boundary action and certificate of dissolution; and
283 (B) if applicable, a certified copy of the resolution that the administrative body adopts under Subsection
17B-1-1308(1); and
- 285 (ii) submit to the recorder of each other county:
- 286 (A) a certified copy of the notice of an impending boundary action and certificate of dissolution; and
288 (B) if applicable, a certified copy of the resolution that the administrative body adopts under Subsection
17B-1-1308(1).
- 290 (3) Upon the lieutenant governor's issuance of the certificate of dissolution under Section 67-1a-6.5, the
special district is dissolved.
- 292 (4)
- (a) After the dissolution of a special district under this part, the administrative body shall use any assets
of the special district remaining after paying all debts and other obligations of the special district to
pay costs associated with the dissolution process.
- 295 (b) If the administrative body is not the board of trustees of the dissolved special district, the
administrative body shall pay any costs of the dissolution process remaining after exhausting the
remaining assets of the special district as described in Subsection (4)(a).
- 299 (c) If the administrative body is the board of trustees of the dissolved special district, each entity
that has committed to provide a service that the dissolved special district previously provided, as
described in Subsection 17B-1-1308(2)(b), shall pay, in the same proportion that the services the
entity commits to provide bear to all of the services the special district provided, any costs of the
dissolution process remaining after exhausting the remaining assets of the dissolved special district
described in Subsection (4)(a).
- 306 (5) The administrative body shall distribute any assets of the special district that remain after the
payment of debts, obligations, and costs under Subsection (4) in the following order of priority:
- 309 (a) if there is a readily identifiable connection between the remaining assets and a financial burden
borne by the real property owners in the dissolved special district, proportionately to those real
property owners;
- 312 (b) if there is a readily identifiable connection between the remaining assets and a financial burden
borne by the recipients of a service that the dissolved special district provided, proportionately to
those recipients; and

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(c) subject to Subsection (6), to each entity that has committed to provide a service that the dissolved special district previously provided, as described in Subsection 17B-1-1308(2)(b)(i), in the same proportion that the services the entity commits to provide bear to all of the services the special district provided.

319 (6) An entity that receives cash reserves of the dissolved special district under Subsection ~~[(5)(a)~~
~~(iii)]~~ (5)(c) may not use the cash reserves:

321 (a) in any way other than for the purpose the special district originally intended; or

322 (b) in any area other than within the area that the dissolved special district previously served.

320 Section 5. Section **17D-4-104** is amended to read:

321 **17D-4-104. Requirements for property owner consent.**

326 (1) ~~[Any]~~ A provision of this chapter requiring the consent or signatures of 100% of surface estate
property owners within an applicable area[-] :

328 (a) does not require the consent of ~~[any]~~ a public entity, utility provider, or owners' association that is
a property owner within an applicable area~~[is not required]~~ if the public entity, utility provider, or
owners' association ownership interest within the applicable area is limited to:

332 ~~[(1)]~~ (i) an easement;

333 ~~[(2)]~~ (ii) a right-of-way; or

334 ~~[(3)]~~ (iii) a public improvement, utility improvement, or related improvement[-] ; and

335 (b) is satisfied if, except as provided in Subsection (1)(a), on the day on which the petition is filed, the
petition contains the signatures of 100% of:

337 (i) the surface estate property owners, as shown on the records of the office of the recorder of the
county in which the surface estate is located; or

339 (ii) if written authorization is provided with the petition, an authorized representative of the surface
property owners described in Subsection (1)(b)(i).

341 (2) A conveyance or other change in ownership that occurs after the day on which a petition is filed
does not affect the validity of the petition if the petition satisfies the requirement described in
Subsection (1)(b).

340 Section 6. Section **17D-4-201** is amended to read:

341 **17D-4-201. Creation -- Annexation or withdrawal of property.**

346 (1)

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- (a) Except as provided in Subsection (1)(b), Subsection (2), and in addition to the provisions regarding creation of a special district in Title 17B, Chapter 1, Provisions Applicable to All Special Districts, a public infrastructure district may not be created unless a petition is filed with the creating entity that contains the signatures of 100% of surface estate property owners within the applicable area consenting to the creation of the public infrastructure district.
- 352 (b)
- (i) As used in this Subsection (1)(b):
- 353 (A) "Military land" means the same as that term is defined in Section 63H-1-102.
- 354 (B) "Project area" means the same as that term is defined in Section 63H-1-102.
- 355 (ii) Notwithstanding Title 17B, Chapter 1, Part 2, Creation of a Special District, and any other provision of this chapter, a development authority may adopt a resolution creating a public infrastructure district if all owners of surface estate property proposed to be included within the public infrastructure district consent in writing to the creation of the public infrastructure district.
- 360 (iii) For purposes of Subsection (1)(b)(ii), if the surface estate property proposed to be included within the public infrastructure district includes military land that is within a project area, the owner of the military land within the project area is the lessee of the military land.
- 364 (iv) A public infrastructure district created under Subsection (1)(b)(ii) may be created as a subsidiary of the development authority that adopts the resolution creating the public infrastructure district.
- 367 (2)
- (a) The following do not apply to the creation of a public infrastructure district:
- 368 (i) Section 17B-1-203;
- 369 (ii) Section 17B-1-204;
- 370 (iii) Subsection 17B-1-208(2);
- 371 (iv) Section 17B-1-212; or
- 372 (v) Section 17B-1-214.
- 373 (b) The protest period described in Section 17B-1-213 may be waived in whole or in part with the consent of 100% of the surface estate property owners within the applicable area approving the creation of the public infrastructure district.
- 376 (c) If the protest period is waived under Subsection (2)(b), a resolution approving the creation of the public infrastructure district may be adopted in accordance with Subsection 17B-1-213(5).
- 379 (d) A petition meeting the requirements of Subsection (1) may be certified under Section 17B-1-209.

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- 381 (e) Notwithstanding Subsection 17B-1-215(1)(b), the district applicant shall file the items required
by Subsection 17B-1-215(1)(a) with the lieutenant governor within 30 days of the day on which a
resolution creating a public infrastructure district is adopted.
- 385 (3) Notwithstanding Title 17B, Chapter 1, Part 4, Annexation, an area outside of the boundaries of a
public infrastructure district may be annexed into the public infrastructure district if the following
requirements are met:
- 388 [(a)
- (i) ~~adoption of resolutions of the board and the creating entity, each approving of the annexation; or]~~
- 390 [(ii) ~~adoption of a resolution of the board to annex the area, provided that the governing document or
creation resolution for the public infrastructure district authorizes the board to annex an area outside
of the boundaries of the public infrastructure district without future consent of the creating entity;
and]~~
- 394 (a) the board adopts a resolution approving the annexation;
- 395 (b) the governing document or resolution creating the public infrastructure district authorizes the public
infrastructure district to annex the proposed annexation area;
- 397 ~~[(b)]~~ (c) a petition is filed with the public infrastructure district that contains the signatures of 100%
of surface estate property owners within the [area proposed to be annexed] proposed annexation
area, demonstrating the surface estate property owners' consent to the annexation into the public
infrastructure district[-] ; and
- 401 (d) if the creating entity is a county or municipality and the proposed annexation area is outside the
boundaries of the creating entity:
- 403 (i) for an area that is unincorporated, the legislative body of the county where the area is located adopts
a resolution approving the annexation; or
- 405 (ii) for an area that is within the boundaries of a municipality, the legislative body of the municipality
where the area is located adopts a resolution approving the annexation.
- 408 (4)
- (a) Notwithstanding Title 17B, Chapter 1, Part 5, Withdrawal, property may be withdrawn from a
public infrastructure district if the following requirements are met:
- 410 (i)
- (A) adoption of resolutions of the board and the creating entity, each approving of the withdrawal; or
- 412

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- (B) adoption of a resolution of the board to withdraw the property, [~~provided that~~] if the governing document or creation resolution for the public infrastructure district authorizes the board to withdraw property from the public infrastructure district without further consent from the creating entity; and
- 416 (ii) a petition is filed with the public infrastructure district that contains the signatures of 100% of surface estate property owners within the area proposed to be withdrawn, demonstrating that the surface estate property owners consent to the withdrawal from the public infrastructure district.
- 420 (b) If any bonds that the public infrastructure district issues are allocable to the area to be withdrawn remain unpaid at the time of the proposed withdrawal, the property remains subject to any taxes, fees, or assessments that the public infrastructure district imposes until the bonds or any associated refunding bonds are paid.
- 424 (c) Upon meeting the requirements of Subsection (3) or (4)(a), the board shall:
- 425 (i) within 30 days of the day on which a resolution is adopted or a petition is filed under Subsection (3) or (4)(a), file with the lieutenant governor:
- 427 (A) a copy of a notice of impending boundary action, as defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and
- 429 (B) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5; and
- 431 (ii) comply with the requirements of Section 17B-1-512, except:
- 432 (A) Subsections 17B-1-512(1)(b) and (c) do not apply; and
- 433 (B) the time periods described in this section govern.
- 434 (5) A creating entity may impose limitations on the powers of a public infrastructure district through the governing document.
- 436 (6)
- (a) A public infrastructure district is separate and distinct from the creating entity.
- 437 (b)
- (i) Except as provided in Subsection (6)(b)(ii), any financial burden of a public infrastructure district:
- 439 (A) is borne solely by the public infrastructure district; and
- 440 (B) is not borne by the creating entity, by the state, or by any municipality, county, or other political subdivision.
- 442 (ii) Notwithstanding Subsection (6)(b)(i) and Section 17B-1-216, the governing document may require:
- 444 (A) the district applicant to bear the initial costs of the public infrastructure district; and

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- 446 (B) the public infrastructure district to reimburse the district applicant for the initial costs the creating
entity bears.
- 448 (iii) Nothing in this Subsection (6) precludes a public infrastructure district from qualifying directly for
an impact fee offset, credit, or refund under Title 11, Chapter 36a, Impact Fees Act, regarding any
qualifying system improvements financed by the public infrastructure district.
- 452 (c) Any liability, judgment, or claim against a public infrastructure district:
- 453 (i) is the sole responsibility of the public infrastructure district; and
- 454 (ii) does not constitute a liability, judgment, or claim against the creating entity, the state, or any
municipality, county, or other political subdivision.
- 456 (d)
- (i)
- (A) The public infrastructure district solely bears the responsibility of any collection, enforcement,
or foreclosure proceeding with regard to any fee or assessment the public infrastructure district
imposes.
- 459 (B) The creating entity does not bear the responsibility described in Subsection (6)(d)(i)(A).
- 461 (ii) A public infrastructure district, and not the creating entity, shall undertake the enforcement
responsibility described in, as applicable, Subsection (6)(d)(i) in accordance with Title 11, Chapter
42, Assessment Area Act.
- 464 (7) A creating entity may establish criteria in determining whether to approve or disapprove of the
creation of a public infrastructure district, including:
- 466 (a) historical performance of the district applicant;
- 467 (b) compliance with the creating entity's master plan;
- 468 (c) credit worthiness of the district applicant;
- 469 (d) plan of finance of the public infrastructure district; and
- 470 (e) proposed development within the public infrastructure district.
- 471 (8)
- (a) The creation of a public infrastructure district is subject to the sole discretion of the creating entity
responsible for approving or rejecting the creation of the public infrastructure district.
- 474 (b) The proposed creating entity bears no liability for rejecting the proposed creation of a public
infrastructure district.
- 472 Section 7. Section **17D-4-202** is amended to read:

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473 **17D-4-202. Public infrastructure district board -- Governing document.**

478 (1)

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

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

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

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

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

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

501 (2)

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

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

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

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

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- (e) A member of the board who is appointed shall continue to serve on the board of the public infrastructure district until a replacement board member is appointed.
- 510 (3)
- (a) Notwithstanding Subsection 17B-1-302(1)(b), a board member is not required to be a resident within the boundaries of the public infrastructure district if:
- 512 (i) all of the surface estate property owners consent to the waiver of the residency requirement;
- 514 (ii) there are no residents within the boundaries of the public infrastructure district;
- 515 (iii) no qualified candidate timely files to be considered for appointment to the board; or
- 517 (iv) no qualified individual files a declaration of candidacy for a board position in accordance with Subsection 17B-1-306(5).
- 519 (b) Except under the circumstances described in Subsection (3)(a)(iii) or (iv), the residency requirement in Subsection 17B-1-302(1)(b) is applicable to any board member elected for a division or board position that has transitioned from an appointed to an elected board member in accordance with this section.
- 523 (c) An individual who is not a resident within the boundaries of the public infrastructure district may not serve as a board member unless the individual is:
- 525 (i) an owner of land or an agent or officer of the owner of land within the boundaries of the public infrastructure district; and
- 527 (ii) a registered voter at the individual's primary residence.
- 528 (d) If the creating entity determines that a public infrastructure district is not anticipated to have permanent residents within the public infrastructure district's boundaries, or is anticipated to be primarily composed of non-residential property or non-primary residential property, a governing document may allow the creating entity to continue to appoint a property owner, or the agent of a property owner, to the public infrastructure district board.
- 534 (e) A governing document may allow for a property owner to recommend a property owner or a property owner's agent for appointment to the public infrastructure district board in numbers proportional to the property owner's ownership of land, or value of land, within a public infrastructure district.
- 538 (4)
- (a) A governing document may provide for a transition from legislative body appointment under Subsection (1) to a method of election by registered voters based upon milestones or events that the

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governing document identifies, including a milestone for each division or individual board position providing that when the milestone is reached:

- 543 (i) for a division, the registered voters of the division elect a member of the board in place of an
appointed member at the next municipal general election for the board position; or
- 546 (ii) for an at large board position established in the governing document, the registered voters of the
public infrastructure district elect a member of the board in place of an appointed member at the
next municipal general election for the board position.
- 550 (b) Regardless of whether a board member is elected under Subsection (4)(a), the position of each
remaining board member shall continue to be appointed under Subsection (1) until the member's
respective division or board position surpasses the density milestone described in the governing
document.
- 554 (5)
- (a) Subject to Subsection (5)(c), the board may, in the board's discretion but no more frequently than
every four years, reestablish the boundaries of each division so that each division that has reached a
milestone specified in the governing document, as described in Subsection (4)(a), has, as nearly as
possible, the same number of eligible voters.
- 559 (b) In reestablishing division boundaries under Subsection (5)(a), the board shall consider existing or
potential developments within the divisions that, when completed, would increase or decrease the
number of eligible voters within the division.
- 563 (c) The governing document may prohibit the board from reestablishing, without the consent of the
creating entity, the division boundaries as described in Subsection (5)(a).
- 566 (6) A public infrastructure district may not compensate a board member for the member's service on the
board under Section 17B-1-307 unless the board member is a resident within the boundaries of the
public infrastructure district.
- 569 (7) A governing document shall:
- 570 (a) include a boundary description and a map of the public infrastructure district;
- 571 (b) describe the public infrastructure and improvements the public infrastructure district is being created
to construct, repair, or otherwise complete;
- 573 [~~(b)~~] (c) state the number of board members;
- 574 [~~(e)~~] (d) describe any divisions of the public infrastructure district;
- 575 [~~(d)~~] (e) establish any applicable property tax levy rate limit for the public infrastructure district;

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- 577 [(e)] (f) establish any applicable limitation on the principal amount of indebtedness for the public
infrastructure district;[and]
- 579 (g) establish conflict of interest disclosure requirements for appointed board members that:
- 581 (i) require an appointed board member to make, and regularly update, a conflict of interest disclosure
that includes the information and items described in Subsections 20A-11-1604(6)(a) through (n);
and
- 584 (ii) require public posting of the conflict of interest disclosure on{ ~~the~~ } { } ~~the Utah Public Notice
Website and the public infrastructure district's website, if any; and~~ }
- 582 {(f)} (h) {;} ~~include other information that the public infrastructure district or the creating entity
determines to be necessary or advisable.~~ { }
- 585 {(A)}
- 584 (8)
- (a) {the} ~~Except as provided in Subsection (8)(b), the board and the governing body of the creating
entity may amend a governing document by each adopting a resolution that approves the amended
governing document.~~
- 587 (b) {creating entity's website} ~~Notwithstanding Subsection (8)(a), any amendment to increase a
property tax levy rate limitation requires the consent of 100% of surface estate{; or} ~~property
owners within the boundaries of the public infrastructure district.~~ { }~~
- 586 {(B)} (9) { } { } { } ~~the { ~~the~~ } { } { } ~~Utah Public Notice Website and the~~ } { } ~~the~~ } ~~public
infrastructure district's website, { ~~the~~ } { } { } ~~if there~~ } ~~A board member is {a link to the conflict of }
not in violation of Section 67-16-9 if the board member.~~ { }~~~~
- 591 (a) { { ~~the~~ } { ~~the~~ } { } { } { } ~~interest~~ } ~~discloses a business relationship in accordance with Sections
67-16-7 and 67-16-8 and files the disclosure {on} ~~with the creating entity:~~~~
- 593 (i) {creating entity's website} ~~before any appointment or election; and~~ { } ~~if any~~ }
- 594 (ii) { ~~the~~ } ; and
- 588 {(f)} (h) ~~include other information that the public infrastructure district or the creating entity
determines to be necessary or advisable.~~ } upon any significant change in the business relationship;
and
- 590 {(8)} (b)
- (a) Except as provided in Subsection (8)(b), } conducts the { ~~board and the governing body~~ }
affairs of the { ~~creating entity may amend a governing document by each adopting a resolution~~

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~~that approves the amended~~ } public infrastructure district in accordance with this title and any parameters described in the governing document.

593 {~~(b)~~} (10) Notwithstanding ~~{any other provision of this section,}~~ Subsection (8)(a), any amendment to increase a property tax levy rate limitation requires the ~~{governing document governs the number, appointment, and terms}~~ consent of ~~{board members}~~ 100% of ~~{a public infrastructure district created by the development authority.}~~ surface

~~{estate}~~ ~~{property owners within the boundaries of the public infrastructure district.}~~

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

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

599 {(i)} ~~{before any appointment or election; and}~~

600 {(ii)} ~~{upon any significant change in the business relationship; and}~~

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

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

600 Section 8. Section **17D-4-202.1** is amended to read:

601 **17D-4-202.1. Convention center public infrastructure -- District board -- Petition and process requirements -- Governing document.**

609 (1) As used in this section:

610 (a) "City" means a municipality of the first class located in a county of the first class in which a convention center is located.

612 (b) "County" means a county in which a convention center is located.

613 (c) "Lessee" means a lessee of property within the proposed convention center public infrastructure district that leases the property from the city or county for a term of at least 10 years.

616 (d)

(i) "Petitioner" means:

617 (A) a surface estate property owner, a property owner, or lessee of property within a proposed convention center public infrastructure district's boundaries that initiates the formation of a convention center public infrastructure district; or

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- 620 (B) a surface estate property owner under this chapter, and Title 17B, Chapter 1, Provisions
Applicable to All Special Districts, in relation to a convention center public infrastructure
district.
- 623 (ii) "Petitioner" does not include a city, county, or other public entity.
- 624 (2) A convention center public infrastructure district shall be created in a city upon the submission of a
petition in accordance with this part and shall have all the powers of a public infrastructure district
under this chapter.
- 627 (3) A convention center public infrastructure district may only be created within a city in which a
convention center is located.
- 629 (4) The petition described in Subsection (2) shall:
- 630 (a) include the governing document; and
- 631 (b) for a petition to a city which has previously authorized revitalization taxes described in Section
63N-3-1403, include as part of the governing document approval and authorization of an interlocal
agreement pledging and securing the revitalization taxes for debt of the proposed convention center
public infrastructure district.
- 635 (5)
- (a) The process for creating a convention center public infrastructure district or a convention center
public infrastructure district in a capital city shall be initiated by the submission of a petition and a
governing document to the city, except that:
- 638 (i) the city recorder shall certify the petition within 14 days from the day the petitioner submits the
petition to the city recorder;
- 640 (ii) if the city recorder fails to certify the petition within the time described in Subsection (5)(a)(i),
the petition shall be considered certified; and
- 642 (iii) within 30 days from the day that the petitioner submits the petition to the city recorder, or if
the city and the petitioner have come to an agreement as described in Subsection (5)(b), the city
shall adopt a resolution to approve:
- 645 (A) the governing document the petitioner submitted with the petition; and
- 646 (B) the creation of a convention center public infrastructure district or a convention center public
infrastructure district in a capital city.

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- (b) Notwithstanding Subsection (5)(a), the city and petitioner may negotiate the finalized terms of the petition, including the terms of an interlocal agreement, within a time period agreed upon by the city and petitioner.
- 651 (6)
- (a) The boundaries of a convention center public infrastructure district shall be limited to an area within a one-half-mile radius of a convention center.
- 653 (b) If a parcel is intersected by the radius described in Subsection (6)(a), the entire parcel may be included in the district.
- 655 (7) A convention center public infrastructure district shall be subject to the following provisions regarding taxation and financing:
- 657 (a) a convention center public infrastructure district may levy an administrative tax of up to 0.0005 per dollar of taxable value on taxable property within the district; and
- 659 (b) the administrative tax shall be used exclusively for administrative expenses and may not be used for capital costs or debt payment.
- 661 (8) A convention center public infrastructure district shall be governed by the governing document submitted and approved as described in this section.
- 663 (9) The convention center public infrastructure board shall consist of five members as follows:
- 665 (a) three members shall be representatives of the petitioner and selected by the petitioner;
- 666 (b) one member may be a representative of the city and selected by the mayor of the city; and
- 668 (c) one member may be a representative of the county and selected by the mayor of the county.
- 670 (10) If a city or county mayor chooses not to select a member of the board as described in Subsection (9)(b) or (c), elects in writing to permanently abdicate the board seat, or chooses to vacate a member at any time, the petitioner shall select a member for the replacement who shall not be a representative of the city or county in which the convention center is located.
- 675 (11)
- (a) A convention center public infrastructure district shall enter into an interlocal agreement with the relevant county that provides that, for any revenue that is transferred to the convention center public infrastructure district from a convention center reinvestment zone created pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the mayor of the county shall have approval authority for the expenditure of any revenue related to a convention center revitalization project, as that term is defined in Section 63N-3-602.

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- 682 (b) The approval authority described in Subsection (11)(a) does not include approval authority over:
684 (i) any bonds or debt or related terms issued by the convention center public infrastructure district; or
686 (ii) revenue subject to a participation agreement entered into pursuant to Title 63N, Chapter 3, Part 14,
Capital City Revitalization Zone.

682 Section 9. Section **17D-4-301** is amended to read:

683 **17D-4-301. Public infrastructure district bonds.**

690 (1)

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

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

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

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

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

697 (v) this section.

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

700 (i) adopts a parameters resolution for the bonds that sets forth:

701 (A) the maximum:

702 (I) amount of bonds;

703 (II) term; and

704 (III) interest rate; and

705 (B) the expected security for the bonds; and

706 (ii) submits the parameters resolution for review and recommendation to the State Finance Review Commission created in Section 63C-25-201.

708 (2) A public infrastructure district bond shall mature within 40 years of the date of issuance.

709 (3)

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

711 (i)

(A) with the consent of 100% of surface estate property owners within the boundaries of the public infrastructure district; and

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- 713 (B) with the consent of a majority of the registered voters, if any, within the boundaries of the proposed
public infrastructure district as of the day on which the board finds that the consent of a majority of
registered voters has been obtained; or
- 717 (ii) upon approval of a majority of the registered voters within the boundaries of the public
infrastructure district voting in an election held for that purpose under Title 11, Chapter 14,
Local Government Bonding Act.
- 720 (b) A limited tax bond described in Subsection (3)(a):
- 721 (i) is not subject to the limitation on a general obligation bond described in Subsection 17B-1-1102(4);
and
- 723 (ii) is subject to a limitation, if any, on the principal amount of indebtedness as described in the
governing document.
- 725 (c) Unless limited tax bonds are initially purchased exclusively by one or more qualified institutional
buyers as defined in Rule 144A, 17 C.F.R. Sec. 230.144A, or an investment grade rating is
obtained for the limited tax bonds by one or more nationally recognized rating agencies, the public
infrastructure district may only issue limited tax bonds in denominations of not less than \$500,000,
and in integral multiples above \$500,000 of not less than \$1,000 each.
- 731 (d)
- (i) Without any further election or consent of property owners or registered voters, a public
infrastructure district may convert a limited tax bond described in Subsection (3)(a) to a general
obligation bond if the principal amount of the related limited tax bond together with the principal
amount of other related outstanding general obligation bonds of the public infrastructure district
does not exceed 15% of the fair market value of taxable property in the public infrastructure district
securing the general obligation bonds, determined by:
- 738 (A) an appraisal from an appraiser who is a member of the Appraisal Institute that is addressed to
the public infrastructure district or a financial institution; or
- 740 (B) the most recent market value of the property from the assessor of the county in which the
property is located.
- 742 (ii) The consent to the issuance of a limited tax bond described in Subsection (3)(a) is sufficient to meet
any statutory or constitutional election requirement necessary for the issuance of the limited tax
bond and any general obligation bond to be issued in place of the limited tax bond upon meeting the
requirements of this Subsection (3)(d).

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- 747 (e) A public infrastructure district that levies a property tax for payment of debt service on a limited tax
bond issued under this section is not required to comply with the notice and hearing requirements of
Section 59-2-919 unless the rate exceeds the rate established in:
- 751 (i) Section 17D-4-303, except as provided in Subsection (13);
752 (ii) the governing document; or
753 (iii) the documents relating to the issuance of the limited tax bond.
754 (4)
- (a) For a public infrastructure district seeking the consent described in Subsection (3)(a)(i)(B), a public
infrastructure district may:
- 756 (i) post a class A notice under Section 63G-30-102 for at least 30 days; and
757 (ii) mail a request for consent to each registered voter within the boundaries of the public
infrastructure district according to voter registration records.
- (b) The request for consent described in Subsection (4)(a)(ii) shall include:
- 760 (i) the purpose for the issuance of the bonds;
761 (ii) the maximum principal amount of the bonds to be issued;
762 (iii) the maximum tax rate proposed to be pledged for the repayment of the bonds;
763 (iv) the words "For the issuance of bonds" and "Against the issuance of bonds," with appropriate boxes
in which the voter may indicate the voter's choice; and
765 (v) a return address and phone number where additional information may be obtained from the public
infrastructure district.
- (c) Any registered voter who does not return the request for consent within 30 days of the day they are
mailed to the voter is considered:
- 769 (i) non-participatory in the request for consent; and
770 (ii) shall not be included in a calculation to determine the percentage of registered voters who consent to
the issuance of bonds.
- 772 (d) If a majority of the registered voters who return the request for consent under this Subsection (4)
indicate "For the issuance of bonds," or if no registered voters return the request for consent within
the time frame described in Subsection (4)(c), the requirement described in Subsection (3)(a)(i)(B)
is met.
- 776 (e) Nothing in this Subsection (4):
777

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- (i) prevents a public infrastructure district from obtaining the consent of registered voters for the issuance of a bond through another method; or
- 779 (ii) shall be interpreted to affect or otherwise interfere with any consents of registered voters obtained before the effective date of this bill.
- 781 (5) Nothing in this section shall be interpreted to:
- 782 (a) prevent a public infrastructure district from withdrawing property from the public infrastructure district's boundaries where the property owners or registered voters associated with that property do not consent to the issuance of bonds or vote against the issuance of bonds; or
- 786 (b) require a public infrastructure district to withdraw property from the public infrastructure district's boundaries where the property owners or registered voters associated with that property do not consent to the issuance of bonds or vote against the issuance of bonds.
- 790 (6)
- (a) Beginning on the effective date of this bill, once consent or approval is obtained under Subsection (3)(a), the consent or approval is valid for a period of 10 years from the day on which the board:
- 793 (i) adopts a resolution or ordinance finding that the consent or approval is obtained; and
- 795 (ii) publishes a notice of the resolution or ordinance described in Subsection (6)(a)(i) as a class A notice under Section 63G-30-102 for at least 30 days.
- 797 (b) The tolling provisions of Section 11-14-301 apply during the 10-year period described in Subsection (6)(a).
- 799 (c) After a public infrastructure district obtains consent or approval under Subsection (3)(a), the public infrastructure district does not require any additional consent to or approval of the issuance of bonds, and the subsequent annexation of property to, or withdrawal of property from, the public infrastructure district does not impact:
- 803 (i) the validity of already obtained consent or approval;
- 804 (ii) the 10-year period described in Subsection (6)(a); or
- 805 (iii) any bond issued, or to be issued, pursuant to the consent or approval that was obtained under Subsection (3)(a).
- 807 (d) Subsection (6)(a) does not invalidate or alter any consent or approval, or finding of consent or approval, that occurred before the effective date of this bill.
- 809 (7)

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- (a) Except as provided in Subsection (7)(b), there is no limitation on the duration of revenues that a public infrastructure district may receive to cover any shortfall in the payment of principal of and interest on a bond that the public infrastructure district issues.
- 813 (b) A public infrastructure governing document or bond documents may limit the duration of time described in Subsection (7)(a).
- 815 (8) Section 11-42-106 governs any action to challenge an assessment imposed by a public infrastructure district or any proceeding to designate an assessment area conducted by a public infrastructure district.
- 818 (9) A public infrastructure district is not a municipal corporation for purposes of the debt limitation of Utah Constitution, Article XIV, Section 4.
- 820 (10) Notwithstanding any other provision, the board may directly or by resolution delegate to one or more officers of the public infrastructure district the authority to:
- 822 (a) in accordance and within the parameters set forth in a resolution adopted in accordance with Section 11-14-302, approve the final interest rate, price, principal amount, maturity, redemption features, and other terms of the bond;
- 825 (b) approve and execute any document or contract relating to the issuance of a bond; and
- 826 (c) approve any contract related to the acquisition and construction of the improvements, facilities, or property to be financed with a bond.
- 828 (11)
- (a) Subject to Subsection (11)(b), before a public infrastructure district may issue a limited tax bond or assessment bond, the public infrastructure district shall engage a municipal advisor who, in connection with the issuance of bonds, shall deliver a certificate stating that:
- 832 (i) the municipal advisor qualifies to serve as a municipal advisor, as defined in Section 17D-4-102, including the basis for the municipal advisor's qualifications;
- 834 (ii) the structure of the limited tax bond or assessment bond the public infrastructure district is about to issue is a reasonable structure, as of the date of the issuance of the limited tax bond or assessment bond, as applicable; and
- 837 (iii) the interest rate of the limited tax bond or assessment bond the public infrastructure district is about to offer is a reasonable market rate, as of the date of the issuance of the limited tax bond or assessment bond, as applicable.

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

842 (12)

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

845 (i) posting the resolution authorizing the bond as a class A notice under Section 63G-30-102; or

847 (ii) posting a notice of bond containing substantially the items required under Subsection 11-14-316(2) as a class A notice under Section 63G-30-102.

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

852 (13)

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

858 (b) The rate increase described in Subsection (13)(a) may exceed the limit described in Section 17D-4-303.

860 (c) The public infrastructure district may charge the rate increase described in Subsection (13)(a) until the bonds, including any associated refunding bonds, or other securities, together with applicable interest, are fully met and discharged.

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

867 (a) the Executive Appropriations Committee; and

868 (b) the State Finance Review Commission created in Section 63C-25-201.

863 Section 10. Section **17D-4-303** is amended to read:

864 **17D-4-303. Limits on public infrastructure district property tax levy -- Notice requirements.**

872

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- (1) The property tax levy of a public infrastructure district, for all purposes, including payment of debt service on limited tax bonds, may not exceed .015 per dollar of taxable value of taxable property in the district.
- 875 (2) The limitation described in Subsection (1) does not apply to the levy by the public infrastructure district to pay principal of and interest on a general obligation bond that the public infrastructure district issues.
- 878 (3)
- (a) Within 30 days after the day on which the lieutenant governor issues a certificate of incorporation for the public infrastructure district under Section 67-1a-6.5, the board shall record a notice with the recorder of the county in which property within the public infrastructure district is located.
- 882 (b) The notice described in Subsection (3)(a) shall:
- 883 (i) contain a description of the boundaries of the public infrastructure district;
- 884 (ii) state that a copy of the governing document is on file at the office of the creating entity;
- 886 (iii) state the purpose of the public infrastructure district and the benefit the public infrastructure district provides to property included in the public infrastructure district;
- 889 (iv) provide a summary of the public infrastructure and improvements the public infrastructure district intends to build;
- 891 ~~[(iii)]~~ (v) state that the public infrastructure district may finance and repay infrastructure and other improvements through the levy of a property tax on the property described in Subsection (3)(b)(i);[
and]
- 894 ~~[(iv)]~~ (vi) state the maximum rate that the public infrastructure district may levy[-] ;
- 895 (vii) state any applicable limitation on the principal amount of indebtedness for the public infrastructure district;
- 897 (viii) state that the burden of the public infrastructure district is intended to run with the land and to bind successors in interest and assigns; and
- 899 (ix) provide a name and contact information for a person who potential purchasers of property in the public infrastructure district may contact to receive information to determine the actual assessment against a property within the public infrastructure district.
- 903 (c) The notice described in Subsection (3)(a) may be recorded as a single instrument that covers more than one parcel if the notice includes, in the body of the notice or an attached exhibit, the parcel number and legal description of each parcel covered by the notice.

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907 [(e)] (d) The effective date of the public infrastructure district for purposes of assessing property tax
is the day on which the notice is recorded in the office of the recorder of each county in which the
public infrastructure district is located, as described in Section 59-2-305.5.

911 (4) If the board fails to record a notice as described in Subsection (3):

912 (a) the public infrastructure district is still created as of the day the lieutenant governor issues a
certificate of incorporation for the public infrastructure district;

914 (b) any bonds issued by the public infrastructure district are still valid; and

915 (c) the public infrastructure district may not levy a tax or levy or collect a fee until the board records the
notice described in Subsection (3).

917 Section 11. Section **11** is enacted to read:

918 **57-1-49. Disclosure requirements for a residential property in a public infrastructure
district.**

920 (1) As used in this section, "public infrastructure district" means an entity that is created under Title
17D, Chapter 4, Public Infrastructure District Act.

922 ~~Ĥ→ [(2) An owner or owner's agent of a residential property that is located within a public
] ←Ĥ Ĥ→ [infrastructure district shall, in a real property conveyance transaction, provide the buyer
] ←Ĥ Ĥ→ [a written statement that the residential property is:~~

925 ~~[(a) located within a public infrastructure district; and~~

926 ~~[(b) subject to fees the public infrastructure district may impose, or taxes the public
] ←Ĥ Ĥ→ [infrastructure district may levy, in addition to other local assessments, fees, and taxes
] ←Ĥ Ĥ→ [assessed to the property.~~

929 ~~[(3)~~

~~(a) If an owner or owner's agent fails to provide a buyer the written disclosure or
] ←Ĥ Ĥ→ [documentation required under Subsection (2), the buyer may:~~

931 ~~[(i) terminate the real estate purchase contract before or on the day on which closing
] ←Ĥ Ĥ→ [occurs; and~~

933 ~~[(ii) retain all earnest money the buyer deposited.~~

934 ~~[(b) The remedy described in Subsection (3)(a) is a buyer's exclusive remedy for the-] ←Ĥ Ĥ→ [owner's
or owner's agent's failure to provide the written disclosure required under-] ←Ĥ Ĥ→ [Subsection
(2).] ←Ĥ~~

911 Section 11. **Effective date.**

HB0422S01 compared with HB0422S02

Effective Date.

This bill takes effect on May 6, 2026.

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