

Public Infrastructure Districts Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jill Koford

Senate Sponsor:

LONG TITLE

General Description:

This bill modifies requirements for public infrastructure districts.

Highlighted Provisions:

This bill:

- ▶ modifies requirements for a public infrastructure district (district) to annex property into the district;
- ▶ requires an appointed member of a district board to provide a conflict of interest disclosure;
- ▶ modifies notice requirements;
- ▶ requires real estate professionals that sell property in a district to provide certain disclosures in advertising materials; and
- ▶ modifies the process for dissolving a district.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

17D-4-201, as last amended by Laws of Utah 2025, Chapter 347
17D-4-202, as last amended by Laws of Utah 2025, Chapter 347
17D-4-303, as last amended by Laws of Utah 2025, Chapter 347

ENACTS:

17D-4-306, Utah Code Annotated 1953

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

Section 1. Section **17D-4-201** is amended to read:

31 **17D-4-201 . Creation -- Annexation or withdrawal of property.**

32 (1)(a) Except as provided in Subsection (1)(b), Subsection (2), and in addition to the
33 provisions regarding creation of a special district in Title 17B, Chapter 1, Provisions
34 Applicable to All Special Districts, a public infrastructure district may not be created
35 unless a petition is filed with the creating entity that contains the signatures of 100%
36 of surface property owners within the applicable area consenting to the creation of
37 the public infrastructure district.

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

39 (A) "Military land" means the same as that term is defined in Section 63H-1-102.

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

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

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

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

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

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

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

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

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

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

59 (b) The protest period described in Section 17B-1-213 may be waived in whole or in
60 part with the consent of 100% of the surface property owners within the applicable
61 area approving the creation of the public infrastructure district.

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

65 (d) A petition meeting the requirements of Subsection (1) may be certified under Section
66 17B-1-209.

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

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

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

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

80 (b) a petition is filed with the public infrastructure district that contains the signatures of
81 100% of surface property owners within the area proposed to be annexed,
82 demonstrating the surface property owners' consent to the annexation into the public
83 infrastructure district[.] ; and

84 (c) the area proposed to be annexed is:

85 (i) a contiguous area;

86 (ii) contiguous to the public infrastructure district; and

87 (iii) completely within the boundaries of the creating entity.

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

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

92 (B) adoption of a resolution of the board to withdraw the property, [provided that]
93 if the governing document or creation resolution for the public infrastructure
94 district authorizes the board to withdraw property from the public
95 infrastructure district without further consent from the creating entity; and

96 (ii) a petition is filed with the public infrastructure district that contains the signatures
97 of 100% of surface property owners within the area proposed to be withdrawn,
98 demonstrating that the surface property owners consent to the withdrawal from the

public infrastructure district.

(b) If any bonds that the public infrastructure district issues are allocable to the area to be withdrawn remain unpaid at the time of the proposed withdrawal, the property remains subject to any taxes, fees, or assessments that the public infrastructure district imposes until the bonds or any associated refunding bonds are paid.

(c) Upon meeting the requirements of Subsection (3) or (4)(a), the board shall:

- (i) within 30 days of the day on which a resolution is adopted or a petition is filed under Subsection (3) or (4)(a), file with the lieutenant governor:
 - (A) a copy of a notice of impending boundary action, as defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and
 - (B) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5; and
- (ii) comply with the requirements of Section 17B-1-512, except:
 - (A) Subsections 17B-1-512(1)(b) and (c) do not apply; and
 - (B) the time periods described in this section govern.

A creating entity may impose limitations on the powers of a public infrastructure district through the governing document.

(a) A public infrastructure district is separate and distinct from the creating entity.

(b)(i) Except as provided in Subsection (6)(b)(ii), any financial burden of a public infrastructure district:

- (A) is borne solely by the public infrastructure district; and
- (B) is not borne by the creating entity, by the state, or by any municipality, county, or other political subdivision.

(ii) Notwithstanding Subsection (6)(b)(i) and Section 17B-1-216, the governing document may require:

- (A) the district applicant to bear the initial costs of the public infrastructure district; and
- (B) the public infrastructure district to reimburse the district applicant for the initial costs the creating entity bears.

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

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

133 (i) is the sole responsibility of the public infrastructure district; and
134 (ii) does not constitute a liability, judgment, or claim against the creating entity, the
135 state, or any municipality, county, or other political subdivision.

136 (d)(i)(A) The public infrastructure district solely bears the responsibility of any
137 collection, enforcement, or foreclosure proceeding with regard to any fee or
138 assessment the public infrastructure district imposes.

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

141 (ii) A public infrastructure district, and not the creating entity, shall undertake the
142 enforcement responsibility described in, as applicable, Subsection (6)(d)(i) in
143 accordance with Title 11, Chapter 42, Assessment Area Act.

144 (7) A creating entity may establish criteria in determining whether to approve or disapprove
145 of the creation of a public infrastructure district, including:
146 (a) historical performance of the district applicant;
147 (b) compliance with the creating entity's master plan;
148 (c) credit worthiness of the district applicant;
149 (d) plan of finance of the public infrastructure district; and
150 (e) proposed development within the public infrastructure district.

151 (8)(a) The creation of a public infrastructure district is subject to the sole discretion of
152 the creating entity responsible for approving or rejecting the creation of the public
153 infrastructure district.
154 (b) The proposed creating entity bears no liability for rejecting the proposed creation of
155 a public infrastructure district.

156 Section 2. Section **17D-4-202** is amended to read:

157 **17D-4-202 . Public infrastructure district board -- Governing document.**

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

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

166 (c) For public infrastructure districts not described in Subsection (1)(b), and except as

167 provided in Subsection (1)(d):

168 (i) if there is a vacancy on the board of a public infrastructure district, or a board
169 member provides notice to the legislative body or board of the creating entity of
170 the board member's intention to resign from the board, the legislative body or
171 board of the creating entity shall appoint a replacement board member within 45
172 days from the day on which the vacancy first occurs or the board member
173 provides notice of the board member's intent to resign; and
174 (ii) if a legislative body or board of the creating entity fails to fill a vacancy on the
175 board within the time period described in Subsection (1)(c)(i), the board of the
176 public infrastructure district may appoint an individual who is eligible to serve on
177 the board according to the requirements of this section to fill the board vacancy.
178 (d) If a public infrastructure district board position has transitioned from appointment to
179 election, as described in Subsection (4), and an elected board position becomes
180 vacant, the provisions of Section 20A-1-512 apply to fill the vacancy.

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

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

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

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

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

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

192 (i) all of the surface property owners consent to the waiver of the residency
193 requirement;
194 (ii) there are no residents within the boundaries of the public infrastructure district;
195 (iii) no qualified candidate timely files to be considered for appointment to the board;
196 or
197 (iv) no qualified individual files a declaration of candidacy for a board position in
198 accordance with Subsection 17B-1-306(5).

199 (b) Except under the circumstances described in Subsection (3)(a)(iii) or (iv), the
200 residency requirement in Subsection 17B-1-302(1)(b) is applicable to any board

201 member elected for a division or board position that has transitioned from an
202 appointed to an elected board member in accordance with this section.

203 (c) An individual who is not a resident within the boundaries of the public infrastructure
204 district may not serve as a board member unless the individual is:

205 (i) an owner of land or an agent or officer of the owner of land within the boundaries
206 of the public infrastructure district; and
207 (ii) a registered voter at the individual's primary residence.

208 (d) If the creating entity determines that a public infrastructure district is not anticipated
209 to have permanent residents within the public infrastructure district's boundaries, or is
210 anticipated to be primarily composed of non-residential property or non-primary
211 residential property, a governing document may allow the creating entity to continue
212 to appoint a property owner, or the agent of a property owner, to the public
213 infrastructure district board.

214 (e) A governing document may allow for a property owner to recommend a property
215 owner or a property owner's agent for appointment to the public infrastructure district
216 board in numbers proportional to the property owner's ownership of land, or value of
217 land, within a public infrastructure district.

218 (4)(a) A governing document may provide for a transition from legislative body
219 appointment under Subsection (1) to a method of election by registered voters based
220 upon milestones or events that the governing document identifies, including a
221 milestone for each division or individual board position providing that when the
222 milestone is reached:

223 (i) for a division, the registered voters of the division elect a member of the board in
224 place of an appointed member at the next municipal general election for the board
225 position; or
226 (ii) for an at large board position established in the governing document, the
227 registered voters of the public infrastructure district elect a member of the board in
228 place of an appointed member at the next municipal general election for the board
229 position.

230 (b) Regardless of whether a board member is elected under Subsection (4)(a), the
231 position of each remaining board member shall continue to be appointed under
232 Subsection (1) until the member's respective division or board position surpasses the
233 density milestone described in the governing document.

234 (5)(a) Subject to Subsection (5)(c), the board may, in the board's discretion but no more

235 frequently than every four years, reestablish the boundaries of each division so that
236 each division that has reached a milestone specified in the governing document, as
237 described in Subsection (4)(a), has, as nearly as possible, the same number of eligible
238 voters.

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

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

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

249 (7) A governing document shall:

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

251 (b) describe the public infrastructure and improvements the public infrastructure district
252 is being created to construct, repair, or otherwise complete;

253 [(b)] (c) state the number of board members;

254 [(e)] (d) describe any divisions of the public infrastructure district;

255 [(d)] (e) establish any applicable property tax levy rate limit for the public infrastructure
256 district;

257 [(e)] (f) establish any applicable limitation on the principal amount of indebtedness for
258 the public infrastructure district;[and]

259 (g) establish conflict of interest disclosure requirements for appointed board members
260 that:

261 (i) require an appointed board member to make, and regularly update, a conflict of
262 interest disclosure that includes the information and items described in
263 Subsections 20A-11-1604(6)(a) through (n); and

264 (ii) require public posting of the conflict of interest disclosure on the creating entity's
265 website; and

266 [(f)] (h) include other information that the public infrastructure district or the creating
267 entity determines to be necessary or advisable.

268 (8)(a) Except as provided in Subsection (8)(b), the board and the governing body of the

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

271 (b) Notwithstanding Subsection (8)(a), any amendment to increase a property tax levy
272 rate limitation requires the consent of 100% of surface property owners within the
273 boundaries of the public infrastructure district.

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

275 (a) discloses a business relationship in accordance with Sections 67-16-7 and 67-16-8
276 and files the disclosure with the creating entity:
277 (i) before any appointment or election; and
278 (ii) upon any significant change in the business relationship; and

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

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

284 Section 3. Section **17D-4-303** is amended to read:

285 **17D-4-303 . Limits on public infrastructure district property tax levy -- Notice
286 requirements.**

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

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

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

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

299 (i) contain a description of the boundaries of the public infrastructure district;
300 (ii) state that a copy of the governing document is on file at the office of the creating
301 entity;
302 (iii) state the purpose of the public infrastructure district and the benefit the public

303 infrastructure district provides to property included in the public infrastructure
304 district;

305 (iv) provide a summary of the public infrastructure and improvements the public
306 infrastructure district intends to build;

307 [~~(iii)~~ (v) state that the public infrastructure district may finance and repay
308 infrastructure and other improvements through the levy of a property tax on the
309 property described in Subsection (3)(b)(i);[and]

310 [~~(iv)~~ (vi) state the maximum rate that the public infrastructure district may levy[.];

311 (vii) state any applicable limitation on the principal amount of indebtedness for the
312 public infrastructure district;

313 (viii) state that the burden of the public infrastructure district is intended to run with
314 the land and to bind successors in interest and assigns; and

315 (ix) provide a name and contact information for a person who potential purchasers of
316 property in the public infrastructure district may contact to receive information to
317 determine the actual assessment against a property within the public infrastructure
318 district.

319 (c) The effective date of the public infrastructure district for purposes of assessing
320 property tax is the day on which the notice is recorded in the office of the recorder of
321 each county in which the public infrastructure district is located, as described in
322 Section 59-2-305.5.

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

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

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

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

329 Section 4. Section **17D-4-306** is enacted to read:

330 **17D-4-306 . Real estate advertising requirements.**

331 A principal real estate broker, associate real estate broker, or real estate agent shall
332 include in an advertisement or other promotional material for the sale of a residential property
333 located in a public infrastructure district a statement disclosing that the residential property is:

334 (1) located within a public infrastructure district; and

335 (2) subject to fees the public infrastructure district may impose, or taxes the public
336 infrastructure district may levy, in addition to other local assessments, fees, and taxes

337 assessed to the property.

338 Section 5. Section **17D-4-401** is enacted to read:

339 **Part 4. Dissolution**

340 **17D-4-401 . Dissolution.**

341 (1) A public infrastructure district shall be dissolved in accordance with Title 17B, Chapter
342 1, Part 13, Dissolution of a Special District.

343 (2) Notwithstanding Title 17B, Chapter 1, Part 13, Dissolution of a Special District, a
344 public infrastructure district shall be dissolved after:
345 (a) the public infrastructure district has paid all the public infrastructure district's debts;
346 (b) the public infrastructure district's contractual obligations are satisfied or defeated; and
347 (c) the public infrastructure and improvements described in the governing document are:
348 (i) constructed, repaired, or otherwise completed; and
349 (ii) transferred to the public entity or utility responsible for ownership, operation, and
350 maintenance of the public infrastructure and improvements.

351 **Section 6. Effective Date.**

352 This bill takes effect on May 6, 2026.