

**Public Infrastructure Districts Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jill Koford**

Senate Sponsor:

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**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

**17D-4-401**, Utah Code Annotated 1953

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

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

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

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

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

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

(3) 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:

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

~~[(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]~~

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

(c) the area proposed to be annexed is:

(i) a contiguous area;

(ii) contiguous to the public infrastructure district; and

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

(4)(a) Notwithstanding Title 17B, Chapter 1, Part 5, Withdrawal, property may be

withdrawn from a public infrastructure district if the following requirements are met:

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

(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

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

- 99 public infrastructure district.
- 100 (b) If any bonds that the public infrastructure district issues are allocable to the area to  
101 be withdrawn remain unpaid at the time of the proposed withdrawal, the property  
102 remains subject to any taxes, fees, or assessments that the public infrastructure  
103 district imposes until the bonds or any associated refunding bonds are paid.
- 104 (c) Upon meeting the requirements of Subsection (3) or (4)(a), the board shall:
- 105 (i) within 30 days of the day on which a resolution is adopted or a petition is filed  
106 under Subsection (3) or (4)(a), file with the lieutenant governor:
- 107 (A) a copy of a notice of impending boundary action, as defined in Section  
108 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and  
109 (B) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5;  
110 and
- 111 (ii) comply with the requirements of Section 17B-1-512, except:
- 112 (A) Subsections 17B-1-512(1)(b) and (c) do not apply; and  
113 (B) the time periods described in this section govern.
- 114 (5) A creating entity may impose limitations on the powers of a public infrastructure district  
115 through the governing document.
- 116 (6)(a) A public infrastructure district is separate and distinct from the creating entity.
- 117 (b)(i) Except as provided in Subsection (6)(b)(ii), any financial burden of a public  
118 infrastructure district:
- 119 (A) is borne solely by the public infrastructure district; and  
120 (B) is not borne by the creating entity, by the state, or by any municipality,  
121 county, or other political subdivision.
- 122 (ii) Notwithstanding Subsection (6)(b)(i) and Section 17B-1-216, the governing  
123 document may require:
- 124 (A) the district applicant to bear the initial costs of the public infrastructure  
125 district; and  
126 (B) the public infrastructure district to reimburse the district applicant for the  
127 initial costs the creating entity bears.
- 128 (iii) Nothing in this Subsection (6) precludes a public infrastructure district from  
129 qualifying directly for an impact fee offset, credit, or refund under Title 11,  
130 Chapter 36a, Impact Fees Act, regarding any qualifying system improvements  
131 financed by the public infrastructure district.
- 132 (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

provided in Subsection (1)(d):

- (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
- (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.

(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.

(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.

(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.

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

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

(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.

(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:

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

(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.

(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:

(i) an owner of land or an agent or officer of the owner of land within the boundaries of the public infrastructure district; and

(ii) a registered voter at the individual's primary residence.

(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.

(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.

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

(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

(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.

(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.

(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.

(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.

(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).

(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.

(7) A governing document shall:

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

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

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

~~[(c)]~~ (d) describe any divisions of the public infrastructure district;

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

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

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

(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

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

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

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



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

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

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

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

(i) before any appointment or election; and

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

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

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

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

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

(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.

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

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

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

(i) contain a description of the boundaries of the public infrastructure district;

(ii) state that a copy of the governing document is on file at the office of the creating entity;

(iii) state 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

assessed to the property.

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

**Part 4. Dissolution**

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

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

(2) Notwithstanding Title 17B, Chapter 1, Part 13, Dissolution of a Special District, a public infrastructure district shall be dissolved after:

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

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

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

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

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

Section 6. **Effective Date.**

This bill takes effect on May 6, 2026.