

Jill Koford proposes the following substitute bill:

Public Infrastructure Districts Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jill Koford

Senate Sponsor: Daniel McCay

LONG TITLE

General Description:

This bill modifies requirements for public infrastructure districts.

Highlighted Provisions:

This bill:

- defines terms;
- modifies the process for dissolving a public infrastructure district (district);
- modifies owner consent requirements;
- modifies requirements for a 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; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

- 17B-1-102**, as last amended by Laws of Utah 2024, Chapters 388, 438
- 17B-1-1302**, as last amended by Laws of Utah 2024, Chapter 388
- 17B-1-1303**, as last amended by Laws of Utah 2024, Chapter 388
- 17B-1-1310**, as last amended by Laws of Utah 2024, Chapter 388
- 17D-4-104**, as enacted by Laws of Utah 2025, Chapter 347
- 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

- 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
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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.**

36 As used in this title:

- 37 (1) "Appointing authority" means the person or body authorized to make an appointment to
38 the board of trustees.
- 39 (2) "Basic special district":
40 (a) means a special district that is not a specialized special district; and
41 (b) includes an entity that was, under the law in effect before April 30, 2007, created and
42 operated as a special district, as defined under the law in effect before April 30, 2007.
- 43 (3) "Bond" means:
44 (a) a written obligation to repay borrowed money, whether denominated a bond, note,
45 warrant, certificate of indebtedness, or otherwise; and
46 (b) a lease agreement, installment purchase agreement, or other agreement that:
47 (i) includes an obligation by the district to pay money; and
48 (ii) the district's board of trustees, in [its] the board's discretion, treats as a bond for
49 purposes of Title 11, Chapter 14, Local Government Bonding Act, or Title 11,
50 Chapter 27, Utah Refunding Bond Act.
- 51 (4) "Cemetery maintenance district" means a special district that operates under and is
52 subject to the provisions of this chapter and Chapter 2a, Part 1, Cemetery Maintenance
53 District Act, including an entity that was created and operated as a cemetery
54 maintenance district under the law in effect before April 30, 2007.
- 55 (5) "Drainage district" means a special district that operates under and is subject to the
56 provisions of this chapter and Chapter 2a, Part 2, Drainage District Act, including an
57 entity that was created and operated as a drainage district under the law in effect before
58 April 30, 2007.
- 59 (6) "Facility" or "facilities" includes any structure, building, system, land, water right,
60 water, or other real or personal property required to provide a service that a special
61 district is authorized to provide, including any related or appurtenant easement or
62 right-of-way, improvement, utility, landscaping, sidewalk, road, curb, gutter, equipment,

- 63 or furnishing.
- 64 (7) "Fire protection district" means a special district that operates under and is subject to the
65 provisions of this chapter and Chapter 2a, Part 3, Fire Protection District Act, including
66 an entity that was created and operated as a fire protection district under the law in effect
67 before April 30, 2007.
- 68 (8) "General obligation bond":
- 69 (a) means a bond that is directly payable from and secured by ad valorem property taxes
70 that are:
- 71 (i) levied:
- 72 (A) by the district that issues the bond; and
73 (B) on taxable property within the district; and
- 74 (ii) in excess of the ad valorem property taxes of the district for the current fiscal
75 year; and
- 76 (b) does not include:
- 77 (i) a short-term bond;
78 (ii) a tax and revenue anticipation bond; or
79 (iii) a special assessment bond.
- 80 (9) "Improvement assurance" means a surety bond, letter of credit, cash, or other security:
- 81 (a) to guarantee the proper completion of an improvement;
82 (b) that is required before a special district may provide a service requested by a service
83 applicant; and
- 84 (c) that is offered to a special district to induce the special district before construction of
85 an improvement begins to:
- 86 (i) provide the requested service; or
87 (ii) commit to provide the requested service.
- 88 (10) "Improvement assurance warranty" means a promise that the materials and
89 workmanship of an improvement:
- 90 (a) comply with standards adopted by a special district; and
91 (b) will not fail in any material respect within an agreed warranty period.
- 92 (11) "Improvement district" means a special district that operates under and is subject to the
93 provisions of this chapter and Chapter 2a, Part 4, Improvement District Act, including an
94 entity that was created and operated as a county improvement district under the law in
95 effect before April 30, 2007.
- 96 (12) "Infrastructure financing district" means a special district that operates under and is

97 subject to the provisions of this chapter and Chapter 2a, Part 13, Infrastructure Financing [
98 Districts] District.

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

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

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

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

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

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

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

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

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

124 (22) "Public entity" means:

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

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

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

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

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

130 (23) "Public infrastructure district" means an entity that is created under Title 17D, Chapter

131 4, Public Infrastructure District Act.

132 ~~(24)~~ (24) "Public transit district" means a special district that operates under and is subject to the
133 provisions of this chapter and Chapter 2a, Part 8, Public Transit District Act, including
134 an entity that was created and operated as a public transit district under the law in effect
135 before April 30, 2007.

136 ~~[(24)]~~ (25) "Revenue bond":

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

139 (b) does not include:

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

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

143 (iii) a special assessment bond.

144 ~~[(25)]~~ (26) "Rules of order and procedure" means a set of rules that govern and prescribe in
145 a public meeting:

146 (a) parliamentary order and procedure;

147 (b) ethical behavior; and

148 (c) civil discourse.

149 ~~[(26)]~~ (27) "Service applicant" means a person who requests that a special district provide a
150 service that the special district is authorized to provide.

151 ~~[(27)]~~ (28) "Service area" means a special district that operates under and is subject to the
152 provisions of this chapter and Chapter 2a, Part 9, Service Area Act, including an entity
153 that was created and operated as a county service area or a regional service area under
154 the law in effect before April 30, 2007.

155 ~~[(28)]~~ (29) "Short-term bond" means a bond that is required to be repaid during the fiscal
156 year in which the bond is issued.

157 ~~[(29)]~~ (30) "Special assessment" means an assessment levied against property to pay all or a
158 portion of the costs of making improvements that benefit the property.

159 ~~[(30)]~~ (31) "Special assessment bond" means a bond payable from special assessments.

160 ~~[(31)]~~ (32) "Special district" means a limited purpose local government entity, as described
161 in Section 17B-1-103, that operates under, is subject to, and has the powers described in:

162 (a) this chapter; or

163 (b)(i) this chapter; and

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

- 165 (B) Chapter 2a, Part 2, Drainage District Act;
 166 (C) Chapter 2a, Part 3, Fire Protection District Act;
 167 (D) Chapter 2a, Part 4, Improvement District Act;
 168 (E) Chapter 2a, Part 5, Irrigation District Act;
 169 (F) Chapter 2a, Part 6, Metropolitan Water District Act;
 170 (G) Chapter 2a, Part 7, Mosquito Abatement District Act;
 171 (H) Chapter 2a, Part 8, Public Transit District Act;
 172 (I) Chapter 2a, Part 9, Service Area Act;
 173 (J) Chapter 2a, Part 10, Water Conservancy District Act;
 174 (K) Chapter 2a, Part 11, Municipal Services District Act; or
 175 (L) Chapter 2a, Part 13, Infrastructure Financing Districts.

176 ~~[(32)]~~ (33) "Specialized special district" means a special district that is a cemetery
 177 maintenance district, a drainage district, a fire protection district, an improvement
 178 district, an irrigation district, a metropolitan water district, a mosquito abatement district,
 179 a public transit district, a service area, a water conservancy district, a municipal services
 180 district, or an infrastructure financing district.

181 ~~[(33)]~~ (34) "Taxable value" means the taxable value of property as computed from the most
 182 recent equalized assessment roll for county purposes.

183 ~~[(34)]~~ (35) "Tax and revenue anticipation bond" means a bond:

- 184 (a) issued in anticipation of the collection of taxes or other revenues or a combination of
 185 taxes and other revenues; and
 186 (b) that matures within the same fiscal year as the fiscal year in which the bond is issued.

187 ~~[(35)]~~ (36) "Unincorporated" means not included within a municipality.

188 ~~[(36)]~~ (37) "Water conservancy district" means a special district that operates under and is
 189 subject to the provisions of this chapter and Chapter 2a, Part 10, Water Conservancy
 190 District Act, including an entity that was created and operated as a water conservancy
 191 district under the law in effect before April 30, 2007.

192 ~~[(37)]~~ (38) "Works" includes a dam, reservoir, well, canal, conduit, pipeline, drain, tunnel,
 193 power plant, and any facility, improvement, or property necessary or convenient for
 194 supplying or treating water for any beneficial use, and for otherwise accomplishing the
 195 purposes of a special district.

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

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

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

- 199 (2) No later than 180 days after the payment of all debt of an infrastructure financing
 200 district, the board of trustees of the infrastructure financing district shall adopt a
 201 resolution to dissolve the infrastructure financing district.
- 202 (3) The board of trustees of a public infrastructure district, other than a public infrastructure
 203 district created by a development authority that provides ongoing services, shall adopt a
 204 resolution to dissolve the public infrastructure district no later than 180 days after:
- 205 (a) the public infrastructure district has paid all the public infrastructure district's debts;
 206 (b) the public infrastructure district's contractual obligations are satisfied or defeased; and
 207 (c) the public infrastructure and improvements described in the governing document are:
- 208 (i) constructed, repaired, or otherwise completed; and
 209 (ii) transferred to the public entity or utility responsible for ownership, operation, and
 210 maintenance of the public infrastructure and improvements.

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

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

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

- 214 (1) for an inactive special district:
- 215 (a)(i) for a special district whose board of trustees is elected by electors based on the
 216 acre-feet of water allotted to the land owned by the elector, a petition signed by
 217 the owners of 25% of the acre-feet of water allotted to the land within the special
 218 district; or
- 219 (ii) for all other districts:
- 220 (A) a petition signed by the owners of private real property that:
- 221 (I) is located within the special district proposed to be dissolved;
- 222 (II) covers at least 25% of the private land area within the special district; and
- 223 (III) is equal in assessed value to at least 25% of the assessed value of all
 224 private real property within the special district; or
- 225 (B) a petition signed by registered voters residing within the special district
 226 proposed to be dissolved equal in number to at least 25% of the number of
 227 votes cast in the district for the office of governor at the last regular general
 228 election before the filing of the petition; or
- 229 (b) a resolution adopted by the administrative body;
- 230 (2) for an active special district, a petition signed by:
- 231 (a) for a special district whose board of trustees is elected by electors based on the
 232 acre-feet of water allotted to the land owned by the elector, the owners of 33% of the

- 233 acre-feet of water allotted to the land within the special district;
- 234 (b) for a special district created to acquire or assess a groundwater right for the
- 235 development and execution of a groundwater management plan in coordination with
- 236 the state engineer in accordance with Section 73-5-15, the owners of groundwater
- 237 rights that:
- 238 (i) are diverted within the district; and
- 239 (ii) cover at least 33% of the total amount of groundwater diverted in accordance
- 240 with the groundwater rights within the district as a whole; or
- 241 (c) for all other districts:
- 242 (i) the owners of private real property that:
- 243 (A) is located within the special district proposed to be dissolved;
- 244 (B) covers at least 33% of the private land area within the special district; and
- 245 (C) is equal in assessed value to at least 25% of the assessed value of all private
- 246 real property within the special district; or
- 247 (ii) 33% of registered voters residing within the special district proposed to be
- 248 dissolved; or
- 249 (3) for an infrastructure financing district or public infrastructure district, a resolution
- 250 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 --**

253 **Distribution of remaining assets.**

- 254 (1)(a) Within the time specified in Subsection (1)(b), an administrative body shall file
- 255 with the lieutenant governor a copy of a notice of an impending boundary action, as
- 256 defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3).
- 257 (b) The administrative body shall file a notice of an impending boundary action under
- 258 Subsection (1)(a) within 30 days after the day on which, as applicable:
- 259 (i) the administrative body adopts a resolution approving the dissolution of an
- 260 inactive special district;
- 261 (ii) a majority of the voters within an active special district approve the dissolution of
- 262 the special district in an election described in Subsection 17B-1-1309(2); or
- 263 (iii) for an infrastructure financing district or public infrastructure district, the
- 264 administrative body adopts a resolution to dissolve the infrastructure financing
- 265 district or public infrastructure district.
- 266 (2) Upon the lieutenant governor's issuance of a certificate of dissolution under Section

- 267 67-1a-6.5, the administrative body shall:
- 268 (a) if the special district was located within the boundary of a single county, submit to
- 269 the recorder of that county:
- 270 (i) the original:
- 271 (A) notice of an impending boundary action; and
- 272 (B) certificate of dissolution; and
- 273 (ii) a certified copy of the resolution that the administrative body adopts under
- 274 Subsection 17B-1-1308(1); or
- 275 (b) if the special district was located within the boundaries of more than a single county:
- 276 (i) submit to the recorder of one of those counties:
- 277 (A) the original notice of an impending boundary action and certificate of
- 278 dissolution; and
- 279 (B) if applicable, a certified copy of the resolution that the administrative body
- 280 adopts under Subsection 17B-1-1308(1); and
- 281 (ii) submit to the recorder of each other county:
- 282 (A) a certified copy of the notice of an impending boundary action and certificate
- 283 of dissolution; and
- 284 (B) if applicable, a certified copy of the resolution that the administrative body
- 285 adopts under Subsection 17B-1-1308(1).
- 286 (3) Upon the lieutenant governor's issuance of the certificate of dissolution under Section
- 287 67-1a-6.5, the special district is dissolved.
- 288 (4)(a) After the dissolution of a special district under this part, the administrative body
- 289 shall use any assets of the special district remaining after paying all debts and other
- 290 obligations of the special district to pay costs associated with the dissolution process.
- 291 (b) If the administrative body is not the board of trustees of the dissolved special district,
- 292 the administrative body shall pay any costs of the dissolution process remaining after
- 293 exhausting the remaining assets of the special district as described in Subsection
- 294 (4)(a).
- 295 (c) If the administrative body is the board of trustees of the dissolved special district,
- 296 each entity that has committed to provide a service that the dissolved special district
- 297 previously provided, as described in Subsection 17B-1-1308(2)(b), shall pay, in the
- 298 same proportion that the services the entity commits to provide bear to all of the
- 299 services the special district provided, any costs of the dissolution process remaining
- 300 after exhausting the remaining assets of the dissolved special district described in

301 Subsection (4)(a).

302 (5) The administrative body shall distribute any assets of the special district that remain
303 after the payment of debts, obligations, and costs under Subsection (4) in the following
304 order of priority:

- 305 (a) if there is a readily identifiable connection between the remaining assets and a
306 financial burden borne by the real property owners in the dissolved special district,
307 proportionately to those real property owners;
- 308 (b) if there is a readily identifiable connection between the remaining assets and a
309 financial burden borne by the recipients of a service that the dissolved special district
310 provided, proportionately to those recipients; and
- 311 (c) subject to Subsection (6), to each entity that has committed to provide a service that
312 the dissolved special district previously provided, as described in Subsection
313 17B-1-1308(2)(b)(i), in the same proportion that the services the entity commits to
314 provide bear to all of the services the special district provided.

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

- 317 (a) in any way other than for the purpose the special district originally intended; or
318 (b) in any area other than within the area that the dissolved special district previously
319 served.

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

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

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

- 324 (a) does not require the consent of [any] a public entity, utility provider, or owners'
325 association that is a property owner within an applicable area[-is not required] if the
326 public entity, utility provider, or owners' association ownership interest within the
327 applicable area is limited to:
- 328 [(1)] (i) an easement;
- 329 [(2)] (ii) a right-of-way; or
- 330 [(3)] (iii) a public improvement, utility improvement, or related improvement[-] ; and
- 331 (b) is satisfied if, except as provided in Subsection (1)(a), on the day on which the
332 petition is filed, the petition contains the signatures of 100% of:
- 333 (i) the surface estate property owners, as shown on the records of the office of the
334 recorder of the county in which the surface estate is located; or

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

337 (2) A conveyance or other change in ownership that occurs after the day on which a petition
 338 is filed does not affect the validity of the petition if the petition satisfies the requirement
 339 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.**

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

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

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

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

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

356 (iii) For purposes of Subsection (1)(b)(ii), if the surface estate property proposed to
 357 be included within the public infrastructure district includes military land that is
 358 within a project area, the owner of the military land within the project area is the
 359 lessee of the military land.

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

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

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

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

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

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

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

- 369 (b) The protest period described in Section 17B-1-213 may be waived in whole or in
 370 part with the consent of 100% of the surface estate property owners within the
 371 applicable area approving the creation of the public infrastructure district.
- 372 (c) If the protest period is waived under Subsection (2)(b), a resolution approving the
 373 creation of the public infrastructure district may be adopted in accordance with
 374 Subsection 17B-1-213(5).
- 375 (d) A petition meeting the requirements of Subsection (1) may be certified under Section
 376 17B-1-209.
- 377 (e) Notwithstanding Subsection 17B-1-215(1)(b), the district applicant shall file the
 378 items required by Subsection 17B-1-215(1)(a) with the lieutenant governor within 30
 379 days of the day on which a resolution creating a public infrastructure district is
 380 adopted.
- 381 (3) Notwithstanding Title 17B, Chapter 1, Part 4, Annexation, an area outside of the
 382 boundaries of a public infrastructure district may be annexed into the public
 383 infrastructure district if the following requirements are met:
- 384 ~~[(a)(i) adoption of resolutions of the board and the creating entity, each approving of~~
 385 ~~the annexation; or]~~
- 386 ~~[(ii) adoption of a resolution of the board to annex the area, provided that the~~
 387 ~~governing document or creation resolution for the public infrastructure district~~
 388 ~~authorizes the board to annex an area outside of the boundaries of the public~~
 389 ~~infrastructure district without future consent of the creating entity; and]~~
- 390 (a) the board adopts a resolution approving the annexation;
- 391 (b) the governing document or resolution creating the public infrastructure district
 392 authorizes the public infrastructure district to annex the proposed annexation area;
- 393 ~~[(b)]~~ (c) a petition is filed with the public infrastructure district that contains the
 394 signatures of 100% of surface estate property owners within the [area proposed to be
 395 annexed] proposed annexation area, demonstrating the surface estate property owners'
 396 consent to the annexation into the public infrastructure district[-] ; and
- 397 (d) if the creating entity is a county or municipality and the proposed annexation area is
 398 outside the boundaries of the creating entity:
- 399 (i) for an area that is unincorporated, the legislative body of the county where the
 400 area is located adopts a resolution approving the annexation; or
- 401 (ii) for an area that is within the boundaries of a municipality, the legislative body of
 402 the municipality where the area is located adopts a resolution approving the

- 403 annexation.
- 404 (4)(a) Notwithstanding Title 17B, Chapter 1, Part 5, Withdrawal, property may be
405 withdrawn from a public infrastructure district if the following requirements are met:
- 406 (i)(A) adoption of resolutions of the board and the creating entity, each approving
407 of the withdrawal; or
- 408 (B) adoption of a resolution of the board to withdraw the property, [~~provided that~~]
409 if the governing document or creation resolution for the public infrastructure
410 district authorizes the board to withdraw property from the public
411 infrastructure district without further consent from the creating entity; and
- 412 (ii) a petition is filed with the public infrastructure district that contains the signatures
413 of 100% of surface estate property owners within the area proposed to be
414 withdrawn, demonstrating that the surface estate property owners consent to the
415 withdrawal from the public infrastructure district.
- 416 (b) If any bonds that the public infrastructure district issues are allocable to the area to
417 be withdrawn remain unpaid at the time of the proposed withdrawal, the property
418 remains subject to any taxes, fees, or assessments that the public infrastructure
419 district imposes until the bonds or any associated refunding bonds are paid.
- 420 (c) Upon meeting the requirements of Subsection (3) or (4)(a), the board shall:
- 421 (i) within 30 days of the day on which a resolution is adopted or a petition is filed
422 under Subsection (3) or (4)(a), file with the lieutenant governor:
- 423 (A) a copy of a notice of impending boundary action, as defined in Section
424 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and
- 425 (B) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5;
426 and
- 427 (ii) comply with the requirements of Section 17B-1-512, except:
- 428 (A) Subsections 17B-1-512(1)(b) and (c) do not apply; and
- 429 (B) the time periods described in this section govern.
- 430 (5) A creating entity may impose limitations on the powers of a public infrastructure district
431 through the governing document.
- 432 (6)(a) A public infrastructure district is separate and distinct from the creating entity.
- 433 (b)(i) Except as provided in Subsection (6)(b)(ii), any financial burden of a public
434 infrastructure district:
- 435 (A) is borne solely by the public infrastructure district; and
- 436 (B) is not borne by the creating entity, by the state, or by any municipality,

- 437 county, or other political subdivision.
- 438 (ii) Notwithstanding Subsection (6)(b)(i) and Section 17B-1-216, the governing
439 document may require:
- 440 (A) the district applicant to bear the initial costs of the public infrastructure
441 district; and
- 442 (B) the public infrastructure district to reimburse the district applicant for the
443 initial costs the creating entity bears.
- 444 (iii) Nothing in this Subsection (6) precludes a public infrastructure district from
445 qualifying directly for an impact fee offset, credit, or refund under Title 11,
446 Chapter 36a, Impact Fees Act, regarding any qualifying system improvements
447 financed by the public infrastructure district.
- 448 (c) Any liability, judgment, or claim against a public infrastructure district:
- 449 (i) is the sole responsibility of the public infrastructure district; and
- 450 (ii) does not constitute a liability, judgment, or claim against the creating entity, the
451 state, or any municipality, county, or other political subdivision.
- 452 (d)(i)(A) The public infrastructure district solely bears the responsibility of any
453 collection, enforcement, or foreclosure proceeding with regard to any fee or
454 assessment the public infrastructure district imposes.
- 455 (B) The creating entity does not bear the responsibility described in Subsection
456 (6)(d)(i)(A).
- 457 (ii) A public infrastructure district, and not the creating entity, shall undertake the
458 enforcement responsibility described in, as applicable, Subsection (6)(d)(i) in
459 accordance with Title 11, Chapter 42, Assessment Area Act.
- 460 (7) A creating entity may establish criteria in determining whether to approve or disapprove
461 of the creation of a public infrastructure district, including:
- 462 (a) historical performance of the district applicant;
- 463 (b) compliance with the creating entity's master plan;
- 464 (c) credit worthiness of the district applicant;
- 465 (d) plan of finance of the public infrastructure district; and
- 466 (e) proposed development within the public infrastructure district.
- 467 (8)(a) The creation of a public infrastructure district is subject to the sole discretion of
468 the creating entity responsible for approving or rejecting the creation of the public
469 infrastructure district.
- 470 (b) The proposed creating entity bears no liability for rejecting the proposed creation of

471 a public infrastructure district.

472 Section 7. Section **17D-4-202** is amended to read:

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

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

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

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

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

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

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

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

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

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

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

504 (e) A member of the board who is appointed shall continue to serve on the board of the

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

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

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

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

577 (i) require an appointed board member to make, and regularly update, a conflict of
 578 interest disclosure that includes the information and items described in

579 Subsections 20A-11-1604(6)(a) through (n); and

580 (ii) require public posting of the conflict of interest disclosure on the Utah Public
 581 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
 583 entity determines to be necessary or advisable.

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

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

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

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

593 (i) before any appointment or election; and

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

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

597 (10) Notwithstanding any other provision of this section, the governing document governs
 598 the number, appointment, and terms of board members of a public infrastructure district
 599 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 --**

602 **Petition and process requirements -- Governing document.**

603 (1) As used in this section:

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

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

- 607 (c) "Lessee" means a lessee of property within the proposed convention center public
608 infrastructure district that leases the property from the city or county for a term of at
609 least 10 years.
- 610 (d)(i) "Petitioner" means:
- 611 (A) a surface estate property owner, a property owner, or lessee of property within
612 a proposed convention center public infrastructure district's boundaries that
613 initiates the formation of a convention center public infrastructure district; or
- 614 (B) a surface estate property owner under this chapter, and Title 17B, Chapter 1,
615 Provisions Applicable to All Special Districts, in relation to a convention
616 center public infrastructure district.
- 617 (ii) "Petitioner" does not include a city, county, or other public entity.
- 618 (2) A convention center public infrastructure district shall be created in a city upon the
619 submission of a petition in accordance with this part and shall have all the powers of a
620 public infrastructure district under this chapter.
- 621 (3) A convention center public infrastructure district may only be created within a city in
622 which a convention center is located.
- 623 (4) The petition described in Subsection (2) shall:
- 624 (a) include the governing document; and
- 625 (b) for a petition to a city which has previously authorized revitalization taxes described
626 in Section 63N-3-1403, include as part of the governing document approval and
627 authorization of an interlocal agreement pledging and securing the revitalization
628 taxes for debt of the proposed convention center public infrastructure district.
- 629 (5)(a) The process for creating a convention center public infrastructure district or a
630 convention center public infrastructure district in a capital city shall be initiated by
631 the submission of a petition and a governing document to the city, except that:
- 632 (i) the city recorder shall certify the petition within 14 days from the day the
633 petitioner submits the petition to the city recorder;
- 634 (ii) if the city recorder fails to certify the petition within the time described in
635 Subsection (5)(a)(i), the petition shall be considered certified; and
- 636 (iii) within 30 days from the day that the petitioner submits the petition to the city
637 recorder, or if the city and the petitioner have come to an agreement as described
638 in Subsection (5)(b), the city shall adopt a resolution to approve:
- 639 (A) the governing document the petitioner submitted with the petition; and
640 (B) the creation of a convention center public infrastructure district or a

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

675 revitalization project, as that term is defined in Section 63N-3-602.

676 (b) The approval authority described in Subsection (11)(a) does not include approval
677 authority over:

678 (i) any bonds or debt or related terms issued by the convention center public
679 infrastructure district; or

680 (ii) revenue subject to a participation agreement entered into pursuant to Title 63N,
681 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.**

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

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

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

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

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

691 (v) this section.

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

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

695 (A) the maximum:

696 (I) amount of bonds;

697 (II) term; and

698 (III) interest rate; and

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

700 (ii) submits the parameters resolution for review and recommendation to the State

701 Finance Review Commission created in Section 63C-25-201.

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

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

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

707 (B) with the consent of a majority of the registered voters, if any, within the
708 boundaries of the proposed public infrastructure district as of the day on which

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

- 743 notice and hearing requirements of Section 59-2-919 unless the rate exceeds the rate
744 established in:
- 745 (i) Section 17D-4-303, except as provided in Subsection (13);
 - 746 (ii) the governing document; or
 - 747 (iii) the documents relating to the issuance of the limited tax bond.
- 748 (4)(a) For a public infrastructure district seeking the consent described in Subsection
749 (3)(a)(i)(B), a public infrastructure district may:
- 750 (i) post a class A notice under Section 63G-30-102 for at least 30 days; and
 - 751 (ii) mail a request for consent to each registered voter within the boundaries of the
752 public infrastructure district according to voter registration records.
- 753 (b) The request for consent described in Subsection (4)(a)(ii) shall include:
- 754 (i) the purpose for the issuance of the bonds;
 - 755 (ii) the maximum principal amount of the bonds to be issued;
 - 756 (iii) the maximum tax rate proposed to be pledged for the repayment of the bonds;
 - 757 (iv) the words "For the issuance of bonds" and "Against the issuance of bonds," with
758 appropriate boxes in which the voter may indicate the voter's choice; and
 - 759 (v) a return address and phone number where additional information may be obtained
760 from the public infrastructure district.
- 761 (c) Any registered voter who does not return the request for consent within 30 days of
762 the day they are mailed to the voter is considered:
- 763 (i) non-participatory in the request for consent; and
 - 764 (ii) shall not be included in a calculation to determine the percentage of registered
765 voters who consent to the issuance of bonds.
- 766 (d) If a majority of the registered voters who return the request for consent under this
767 Subsection (4) indicate "For the issuance of bonds," or if no registered voters return
768 the request for consent within the time frame described in Subsection (4)(c), the
769 requirement described in Subsection (3)(a)(i)(B) is met.
- 770 (e) Nothing in this Subsection (4):
- 771 (i) prevents a public infrastructure district from obtaining the consent of registered
772 voters for the issuance of a bond through another method; or
 - 773 (ii) shall be interpreted to affect or otherwise interfere with any consents of registered
774 voters obtained before the effective date of this bill.
- 775 (5) Nothing in this section shall be interpreted to:
- 776 (a) prevent a public infrastructure district from withdrawing property from the public

- 777 infrastructure district's boundaries where the property owners or registered voters
778 associated with that property do not consent to the issuance of bonds or vote against
779 the issuance of bonds; or
- 780 (b) require a public infrastructure district to withdraw property from the public
781 infrastructure district's boundaries where the property owners or registered voters
782 associated with that property do not consent to the issuance of bonds or vote against
783 the issuance of bonds.
- 784 (6)(a) Beginning on the effective date of this bill, once consent or approval is obtained
785 under Subsection (3)(a), the consent or approval is valid for a period of 10 years from
786 the day on which the board:
- 787 (i) adopts a resolution or ordinance finding that the consent or approval is obtained;
788 and
- 789 (ii) publishes a notice of the resolution or ordinance described in Subsection (6)(a)(i)
790 as a class A notice under Section 63G-30-102 for at least 30 days.
- 791 (b) The tolling provisions of Section 11-14-301 apply during the 10-year period
792 described in Subsection (6)(a).
- 793 (c) After a public infrastructure district obtains consent or approval under Subsection
794 (3)(a), the public infrastructure district does not require any additional consent to or
795 approval of the issuance of bonds, and the subsequent annexation of property to, or
796 withdrawal of property from, the public infrastructure district does not impact:
- 797 (i) the validity of already obtained consent or approval;
798 (ii) the 10-year period described in Subsection (6)(a); or
799 (iii) any bond issued, or to be issued, pursuant to the consent or approval that was
800 obtained under Subsection (3)(a).
- 801 (d) Subsection (6)(a) does not invalidate or alter any consent or approval, or finding of
802 consent or approval, that occurred before the effective date of this bill.
- 803 (7)(a) Except as provided in Subsection (7)(b), there is no limitation on the duration of
804 revenues that a public infrastructure district may receive to cover any shortfall in the
805 payment of principal of and interest on a bond that the public infrastructure district
806 issues.
- 807 (b) A public infrastructure governing document or bond documents may limit the
808 duration of time described in Subsection (7)(a).
- 809 (8) Section 11-42-106 governs any action to challenge an assessment imposed by a public
810 infrastructure district or any proceeding to designate an assessment area conducted by a

- 811 public infrastructure district.
- 812 (9) A public infrastructure district is not a municipal corporation for purposes of the debt
813 limitation of Utah Constitution, Article XIV, Section 4.
- 814 (10) Notwithstanding any other provision, the board may directly or by resolution delegate
815 to one or more officers of the public infrastructure district the authority to:
- 816 (a) in accordance and within the parameters set forth in a resolution adopted in
817 accordance with Section 11-14-302, approve the final interest rate, price, principal
818 amount, maturity, redemption features, and other terms of the bond;
- 819 (b) approve and execute any document or contract relating to the issuance of a bond; and
- 820 (c) approve any contract related to the acquisition and construction of the improvements,
821 facilities, or property to be financed with a bond.
- 822 (11)(a) Subject to Subsection (11)(b), before a public infrastructure district may issue a
823 limited tax bond or assessment bond, the public infrastructure district shall engage a
824 municipal advisor who, in connection with the issuance of bonds, shall deliver a
825 certificate stating that:
- 826 (i) the municipal advisor qualifies to serve as a municipal advisor, as defined in
827 Section 17D-4-102, including the basis for the municipal advisor's qualifications;
- 828 (ii) the structure of the limited tax bond or assessment bond the public infrastructure
829 district is about to issue is a reasonable structure, as of the date of the issuance of
830 the limited tax bond or assessment bond, as applicable; and
- 831 (iii) the interest rate of the limited tax bond or assessment bond the public
832 infrastructure district is about to offer is a reasonable market rate, as of the date of
833 the issuance of the limited tax bond or assessment bond, as applicable.
- 834 (b) The provisions of this Subsection (11) do not apply to a public infrastructure district
835 created by a development authority.
- 836 (12)(a) Any person may contest the legality of the issuance of a public infrastructure
837 district bond or any provisions for the security and payment of the bond for a period
838 of 30 days after:
- 839 (i) posting the resolution authorizing the bond as a class A notice under Section
840 63G-30-102; or
- 841 (ii) posting a notice of bond containing substantially the items required under
842 Subsection 11-14-316(2) as a class A notice under Section 63G-30-102.
- 843 (b) After the 30-day period described in Subsection (12)(a), no person may bring a
844 lawsuit or other proceeding contesting the regularity, formality, or legality of the

845 bond for any reason.

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

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

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

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

861 (a) the Executive Appropriations Committee; and

862 (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**
865 **requirements.**

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

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

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

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

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

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

- 879 entity;
- 880 (iii) state the purpose of the public infrastructure district and the benefit the public
- 881 infrastructure district provides to property included in the public infrastructure
- 882 district;
- 883 (iv) provide a summary of the public infrastructure and improvements the public
- 884 infrastructure district intends to build;
- 885 [~~(iii)~~] (v) state that the public infrastructure district may finance and repay
- 886 infrastructure and other improvements through the levy of a property tax on the
- 887 property described in Subsection (3)(b)(i);[-and]
- 888 [~~(iv)~~] (vi) state the maximum rate that the public infrastructure district may levy[-] ;
- 889 (vii) state any applicable limitation on the principal amount of indebtedness for the
- 890 public infrastructure district;
- 891 (viii) state that the burden of the public infrastructure district is intended to run with
- 892 the land and to bind successors in interest and assigns; and
- 893 (ix) provide a name and contact information for a person who potential purchasers of
- 894 property in the public infrastructure district may contact to receive information to
- 895 determine the actual assessment against a property within the public infrastructure
- 896 district.
- 897 (c) The notice described in Subsection (3)(a) may be recorded as a single instrument that
- 898 covers more than one parcel if the notice includes, in the body of the notice or an
- 899 attached exhibit, the parcel number and legal description of each parcel covered by
- 900 the notice.
- 901 [~~(c)~~] (d) The effective date of the public infrastructure district for purposes of assessing
- 902 property tax is the day on which the notice is recorded in the office of the recorder of
- 903 each county in which the public infrastructure district is located, as described in
- 904 Section 59-2-305.5.
- 905 (4) If the board fails to record a notice as described in Subsection (3):
- 906 (a) the public infrastructure district is still created as of the day the lieutenant governor
- 907 issues a certificate of incorporation for the public infrastructure district;
- 908 (b) any bonds issued by the public infrastructure district are still valid; and
- 909 (c) the public infrastructure district may not levy a tax or levy or collect a fee until the
- 910 board records the notice described in Subsection (3).

911 Section 11. **Effective Date.**

912 This bill takes effect on May 6, 2026.