Public Infrastructure District (PIDs) Summary

Heard in the Political Subdivisions Interim Committee on August 19, 2026

August 19, 2026 | Political Subdivisions Interim Committee

This is a high-level review of the current statutes governing Public Infrastructure Districts (PIDs). Links to the code and other documents are provided for reference.

Authorization

PIDs were authorized by the Legislature in SB 228, Public Infrastructure District Act (Sen. McCay, 2019). Existing statutes governing PIDs are found in Utah Code Title 17D, Chapter 4, Public Infrastructure District Act.

Overview

PIDs are a financing mechanism to facilitate infrastructure development. As of January 1, 2026, there were approximately 204 PIDs across the state. Approximately 62% of PIDs are located in Utah, Tooele, and Washington counties. PIDs are often confused with Infrastructure Financing Districts (IFDs), which are authorized under Utah Code Title 17D, Chapter 5.

According to the Utah Inland Port Authority (UIPA):

- PIDs provide an independent funding mechanism to cover the upfront costs of getting infrastructure to an undeveloped site.
- PIDs can only be used for public infrastructure or private infrastructure under certain circumstances.

In a presentation at the fall 2024 conference of the Utah League of Cities and Towns (ULCT), GillmoreBell highlighted:

- The creation of a PID is initiated, in general, by a petition signed by 100% of property owners within the applicable area. See Utah Code 17D-4-201.[1]
- PIDs are created at the discretion of the creating entity and are governed by statute and individual governing documents that can set limitations and guardrails on the PID that are stricter than what statute requires.
- PID debt is not a liability against the balance sheet of the creating entity (the county, municipality, basic special district, or development authority that approves the creation of the PID). See Utah Code Section 17D-4-201.
- PIDs have no land use authority; they are a legal entity with financing mechanisms.
- The costs of evaluating a potential PID are paid by the petitioners.

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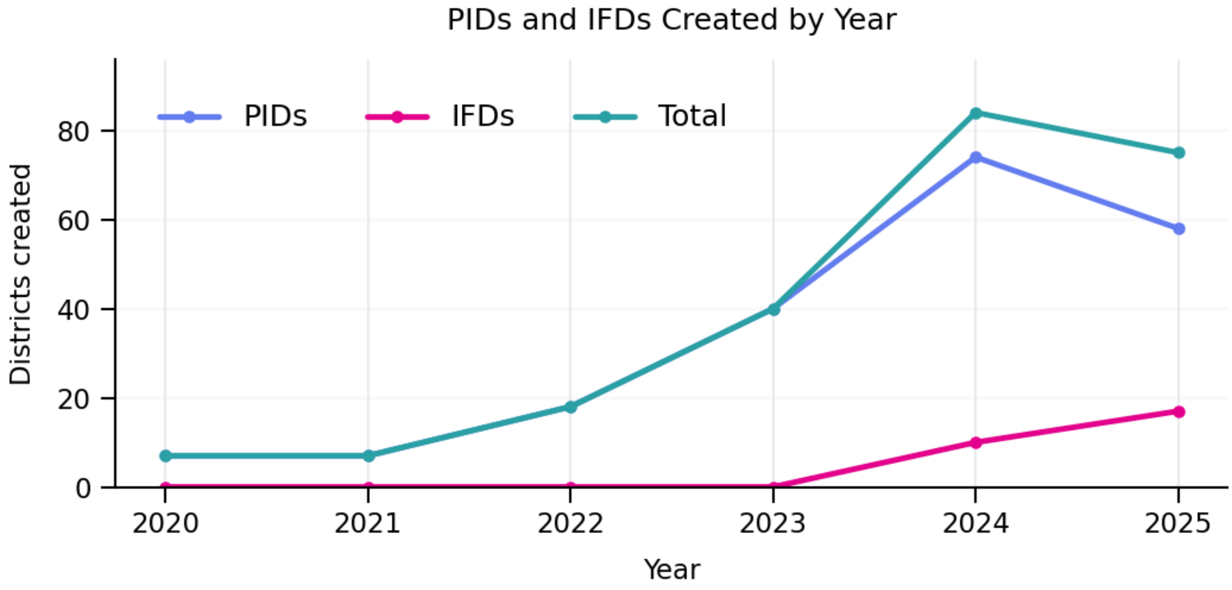
[1] There are unique provisions for the creation of PIDs to facilitate convention center public infrastructure in Utah Code Section 17D-4-202.1

Number of PIDs Created Since 2020



Creation activity by year, including Infrastructure Financing Districts.

Year	PIDs	IFDs	Total
2020	7	0	7
2021	7	0	7
2022	18	0	18
2023	40	0	40
2024	74	10	84
2025	58	17	75

Public Infrastructure Districts (PIDs) were authorized by the Legislature in 2019 under S.B. 228, Public Infrastructure District Act (Sen. McCay, 2019). Infrastructure Financing Districts (IFDs) were created by H.B. 13, Infrastructure Financing Districts (Rep. Dunnigan, 2024) in the 2024 General Session. IFDs are often lumped in with PIDs when collecting data and can be a challenge to separate out. This data is provided by the Utah Tax Commission, as reported by the county clerks.

General Limitations and Restrictions

- Statute sets broad limitations, but the creating entities may establish detailed limitations and restrictions in the governing documents.
- PIDs must engage with a municipal advisor, prior to issuing a limited tax or assessment bond to ensure that bond issuance is reasonable and that the rates are reasonable, according to market conditions (see Utah Code Section 17D-4-301(11)).
- PIDs are separate and distinct from the creating entity. This is intended to limit government liability and place the responsibility for the PID on the petitioners. Bond documents also clarify that PID debt is separate from the creating entity (see Utah Code Section 17D-4-201).
- Utah Code Section 17D-4-303(1) provides that a PID may levy a property tax up to .015 per dollar of taxable value of property within the district, but the creating entity may impose stricter limitations in the governing documents.
- All infrastructure in a PID that is connected to another public entity system is required to comply with the design, inspection requirements, and other standards required by the public entity (see Utah Code Section 17D-4-204).

Reporting Requirements

PIDs are required to file annual financial reports with the creating entity, as specified in the governing documents.

S.B. 206, Tax Amendments (Sen. Harper, 2026), requires additional reporting for all entities that receive property tax growth, differential, or tax increment to report specified information to the Utah Association of Counties.

PID Creation Process

- **Petition:** Property owners submit a petition to a creating entity to start the PID evaluation process. 100% of surface property owners within a proposed PID must consent to participate. (see Utah Code Section 17D-4-201)
- **Evaluation and Approval:** The creating entity may adopt a resolution, creating the PID. The resolution must include a description of the proposed PID area, a map, the services to be provided/purpose of the PID, name of the PID, and a process for the appointment of the members of the initial board of trustees. The creating entity may establish the criteria for evaluating a proposed PID and cannot be held liable for rejecting a petition to create a PID.

- **Governing Documents:** The creating entity that approves a PID petition is responsible for creating the governing documents, which can be more restrictive than limitations and guardrails placed on PIDs in state statute. The governing documents may be amended or revised by a resolution adopted by the PID board and the governing body of the creating entity. Any amendment to change a property tax levy rate established in a governing document must also be approved by 100% of the surface property owners. (See Utah Code Subsection 17D-4-202(8)(b))
- **Board:** PIDs are governed by a board, initially appointed by the creating entity. The board can transition to be elected members when specific criteria are met (see Utah Code Subsection 17D-4-202(4) for more detail).
- **Annexation:** PIDs can annex new land into the PID boundaries if (1) the PID board adopts a resolution approving the annexation; (2) the governing document or creating resolution authorizes the PID to annex the area; (3) 100% of the surface property owners in the impacted area agree to the annexation; and (4) for a county or municipal creating entity and an area outside the county or municipality, the legislative body governing the area proposed for annexation adopts a resolution approving the annexation. (See Utah Code Subsection 17D-4-201(3))
- **Withdrawal:** Property may be withdrawn from a PID if the creating entity approves the withdrawal by resolution and 100% of the surface property owners in the area to be withdrawn consent to the withdrawal. The withdrawn property must remain subject to any taxes, fees, or assessments relating to any outstanding bonds.

Dissolution Process

Utah Code Section 17D-4-401 provides the dissolution process for a PID. Generally, a PID board shall adopt a resolution to dissolve the PID within 30 days of the PID's:

- debt being paid;
- contractual obligations being satisfied or defeased; and
- infrastructure being completed, accepted by the creating entity as meeting the acceptable standards and design requirements, and transferred to the entity responsible for ongoing maintenance and administration.

After a PID board adopts a resolution of dissolution it must file a notice of an impending boundary action with the Lt. Governor, who then issues a certificate of dissolution.

Major Funding Sources

- **Bonds:** Utah Code Section 17D-4-301 authorizes PIDs to issue bonds to cover the up-front infrastructure costs, including limited tax bonds or assessment bonds.
- **Limited property tax:** the PID can levy a limited property tax rate (up to 1.5%)[2] on the taxable value of taxable properties within the PID.
    - A PID may also impose a property tax penalty at an annual rate of 0.07, in addition to any other lawful penalty for nonpayment of property tax. See Utah Code Section 17D-4-304.
- **Tax increment:** PIDs are not authorized in statute to trigger and collect tax increment. PIDs receive tax increment from the creating entity, if the entity can trigger and collect tax increment.
- **Fees (Utah Code Section 17D-4-302):** In addition to the fees allowed under Utah Code Title 17B, Chapter 1, Provisions Applicable to All Special Districts, a PID may charge a fee for administrative services. Fees shall be established by the PID board according to a fee schedule set in ordinance or resolution.

PID Bonds

- A PID may issue a bond for acquisition of real property, capital improvements related to an energy assessment area, public improvements related to housing, capital costs related to public transportation, for the purposes of an HTRZ (see Utah Code Subsection 17D-4-203(2)(a)(v)), acquisition of public infrastructure or improvements, remediation projects for a PID created by UIPA, finance improvements related to a CCRZ (see Utah Code Subsections 17D-4-203(2)(viii), (ix), (x), and (xi).
- The board must adopt parameters for the maximum amount of bonds, the term of the bonds, the maximum interest rate, and the expected security for the bonds. These parameters must be submitted for review and recommendation to the State Finance Review Commission.
- Bonds have a maximum maturity of 40 years of the date of issuance, but are usually issued with a 30-year maturity.

[2] A PID created by certain development authorities may also levy an additional property tax for a bond, not to exceed a rate that generates more revenue than required to pay the annual debt service of the bond plus administrative costs, subject to a maximum of 2% (Utah Code Section 63H-1-202). Other PIDs may also bond for certain projects on state-owned land, development-authority owned land, or remediation projects. Utah Code Section 17D-4-203.

- A PID may issue a limited tax bond, in the same manner as a general obligation bond. This requires consent of 100% of property owners and consent of a majority of the registered voters within the PID boundaries. (See Utah Code Subsection 17D-4-301(3))
- Consent to issue bonds is valid for 10 years from the day on which the board adopts a resolution or ordinance finding that consent has been obtained. Tolling provisions apply during the 10-year period. (See Utah Code Subsection 17D-4-301(6))
- The governing documents may limit the duration of time for which revenues may be collected to cover any payment of principal and interest on a bond.
- A PID must engage a municipal advisor to certify that the bond structure is reasonable and the interest rate of the bonds is a reasonable market rate (See Utah Code Subsection 17D-4-301(11)). This does not apply to PIDs created by a development authority.

Additional Resources:

PIDs Overview
An overview of PIDs provided by the Utah Inland Port Authority.

Utah League of Cities and Towns Fall Conference: Financing Tools Summary
Presentation provided by GillmoreBell from the 2024 fall conference for the Utah League of Cities and Towns regarding PIDs and other infrastructure financing mechanisms.

Power of PIDs: A Look at Utah's Public Infrastructure Districts
An overview of PIDs in Utah by the Office of the Legislative Fiscal Analyst.