

PUBLIC INFRASTRUCTURE DISTRICT ACT

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel McCay

House Sponsor: _____

LONG TITLE

General Description:

This bill enacts the Public Infrastructure District Act.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ imposes a limit on a property tax levy for the operation of a public infrastructure district;
- ▶ imposes a limit on general obligation bonds that a public infrastructure district may issue;
- ▶ allows for local entities to create public infrastructure districts;
- ▶ provides for the appointment and potential election, in certain circumstances, of members of the board of trustees of a public infrastructure district;
- ▶ provides for the issuance of bonds for certain purposes;
- ▶ allows a public infrastructure district to charge certain fees;
- ▶ imposes certain transparency requirements on public infrastructure districts;
- ▶ allows a public infrastructure district to impose a property tax penalty in the event of nonpayment;
- ▶ limits the time period during which a person may bring certain legal challenges against a public infrastructure district; and
- ▶ makes technical changes.



28 **Money Appropriated in this Bill:**

29 None

30 **Other Special Clauses:**

31 None

32 **Utah Code Sections Affected:**

33 AMENDS:

34 **17B-1-102**, as last amended by Laws of Utah 2016, Chapter 176

35 **17B-1-1002**, as last amended by Laws of Utah 2015, Chapter 352

36 **17B-1-1102**, as last amended by Laws of Utah 2015, Chapter 352

37 ENACTS:

38 **17B-2a-1201**, Utah Code Annotated 1953

39 **17B-2a-1202**, Utah Code Annotated 1953

40 **17B-2a-1203**, Utah Code Annotated 1953

41 **17B-2a-1204**, Utah Code Annotated 1953

42 **17B-2a-1205**, Utah Code Annotated 1953

43 **17B-2a-1206**, Utah Code Annotated 1953

44 **17B-2a-1207**, Utah Code Annotated 1953

45 **17B-2a-1208**, Utah Code Annotated 1953

46 **17B-2a-1209**, Utah Code Annotated 1953

47 **17B-2a-1210**, Utah Code Annotated 1953

48 **17B-2a-1211**, Utah Code Annotated 1953

49 **17B-2a-1212**, Utah Code Annotated 1953

50 **17B-2a-1213**, Utah Code Annotated 1953



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

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

53 **17B-1-102. Definitions.**

54 As used in this title:

55 (1) "Appointing authority" means the person or body authorized to make an
56 appointment to the board of trustees.
57

58 (2) "Basic local district":

59 (a) means a local district that is not a specialized local district; and

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

62 (3) "Bond" means:

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

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

66 (i) includes an obligation by the district to pay money; and

67 (ii) the district's board of trustees, in its discretion, treats as a bond for purposes of Title
68 11, Chapter 14, Local Government Bonding Act, or Title 11, Chapter 27, Utah Refunding Bond
69 Act.

70 (4) "Cemetery maintenance district" means a local district that operates under and is
71 subject to the provisions of this chapter and Chapter 2a, Part 1, Cemetery Maintenance District
72 Act, including an entity that was created and operated as a cemetery maintenance district under
73 the law in effect before April 30, 2007.

74 (5) "Drainage district" means a local district that operates under and is subject to the
75 provisions of this chapter and Chapter 2a, Part 2, Drainage District Act, including an entity that
76 was created and operated as a drainage district under the law in effect before April 30, 2007.

77 (6) "Facility" or "facilities" includes any structure, building, system, land, water right,
78 water, or other real or personal property required to provide a service that a local district is
79 authorized to provide, including any related or appurtenant easement or right-of-way,
80 improvement, utility, landscaping, sidewalk, road, curb, gutter, equipment, or furnishing.

81 (7) "Fire protection district" means a local district that operates under and is subject to
82 the provisions of this chapter and Chapter 2a, Part 3, Fire Protection District Act, including an
83 entity that was created and operated as a fire protection district under the law in effect before
84 April 30, 2007.

85 (8) "General obligation bond":

86 (a) means a bond that is directly payable from and secured by ad valorem property
87 taxes that are:

88 (i) levied:

89 (A) by the district that issues the bond; and

90 (B) on taxable property within the district; and
91 (ii) in excess of the ad valorem property taxes of the district for the current fiscal year;
92 and

93 (b) does not include:
94 (i) a short-term bond;
95 (ii) a tax and revenue anticipation bond; or
96 (iii) a special assessment bond.

97 (9) "Improvement assurance" means a surety bond, letter of credit, cash, or other
98 security:

99 (a) to guarantee the proper completion of an improvement;
100 (b) that is required before a local district may provide a service requested by a service
101 applicant; and

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

104 (i) provide the requested service; or
105 (ii) commit to provide the requested service.

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

108 (a) comply with standards adopted by a local district; and
109 (b) will not fail in any material respect within an agreed warranty period.

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

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

117 (13) "Local district" means a limited purpose local government entity, as described in
118 Section [17B-1-103](#), that operates under, is subject to, and has the powers set forth in:

119 (a) this chapter; or
120 (b) (i) this chapter; and

- 121 (ii) (A) Chapter 2a, Part 1, Cemetery Maintenance District Act;
- 122 (B) Chapter 2a, Part 2, Drainage District Act;
- 123 (C) Chapter 2a, Part 3, Fire Protection District Act;
- 124 (D) Chapter 2a, Part 4, Improvement District Act;
- 125 (E) Chapter 2a, Part 5, Irrigation District Act;
- 126 (F) Chapter 2a, Part 6, Metropolitan Water District Act;
- 127 (G) Chapter 2a, Part 7, Mosquito Abatement District Act;
- 128 (H) Chapter 2a, Part 8, Public Transit District Act;
- 129 (I) Chapter 2a, Part 9, Service Area Act;
- 130 (J) Chapter 2a, Part 10, Water Conservancy District Act; [~~or~~]
- 131 (K) Chapter 2a, Part 11, Municipal Services District Act[-]; or
- 132 (L) Chapter 2a, Part 12, Public Infrastructure District Act.

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

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

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

142 (17) "Municipality" means a city, town, or metro township.

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

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

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

152 subdivision of the state.

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

155 (22) "Public entity" means:

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

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

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

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

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

162 (23) "Public infrastructure district" means a local district that operates under and is
163 subject to the provisions of this chapter and Chapter 2a, Part 12, Public Infrastructure District
164 Act.

165 [~~23~~] (24) "Public transit district" means a local district that operates under and is
166 subject to the provisions of this chapter and Chapter 2a, Part 8, Public Transit District Act,
167 including an entity that was created and operated as a public transit district under the law in
168 effect before April 30, 2007.

169 [~~24~~] (25) "Revenue bond":

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

172 (b) does not include:

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

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

176 (iii) a special assessment bond.

177 [~~25~~] (26) "Rules of order and procedure" means a set of rules that govern and
178 prescribe in a public meeting:

179 (a) parliamentary order and procedure;

180 (b) ethical behavior; and

181 (c) civil discourse.

182 [~~26~~] (27) "Service applicant" means a person who requests that a local district

183 provide a service that the local district is authorized to provide.

184 ~~[(27)]~~ (28) "Service area" means a local district that operates under and is subject to the
185 provisions of this chapter and Chapter 2a, Part 9, Service Area Act, including an entity that was
186 created and operated as a county service area or a regional service area under the law in effect
187 before April 30, 2007.

188 ~~[(28)]~~ (29) "Short-term bond" means a bond that is required to be repaid during the
189 fiscal year in which the bond is issued.

190 ~~[(29)]~~ (30) "Special assessment" means an assessment levied against property to pay all
191 or a portion of the costs of making improvements that benefit the property.

192 ~~[(30)]~~ (31) "Special assessment bond" means a bond payable from special assessments.

193 ~~[(31)]~~ (32) "Specialized local district" means a local district that is a cemetery
194 maintenance district, a drainage district, a fire protection district, an improvement district, an
195 irrigation district, a metropolitan water district, a mosquito abatement district, a public transit
196 district, a service area, a water conservancy district, or a municipal services district.

197 ~~[(32)]~~ (33) "Taxable value" means the taxable value of property as computed from the
198 most recent equalized assessment roll for county purposes.

199 ~~[(33)]~~ (34) "Tax and revenue anticipation bond" means a bond:

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

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

204 ~~[(34)]~~ (35) "Unincorporated" means not included within a municipality.

205 ~~[(35)]~~ (36) "Water conservancy district" means a local district that operates under and
206 is subject to the provisions of this chapter and Chapter 2a, Part 10, Water Conservancy District
207 Act, including an entity that was created and operated as a water conservancy district under the
208 law in effect before April 30, 2007.

209 ~~[(36)]~~ (37) "Works" includes a dam, reservoir, well, canal, conduit, pipeline, drain,
210 tunnel, power plant, and any facility, improvement, or property necessary or convenient for
211 supplying or treating water for any beneficial use, and for otherwise accomplishing the
212 purposes of a local district.

213 Section 2. Section **17B-1-1002** is amended to read:

214 **17B-1-1002. Limit on local district property tax levy -- Exclusions.**

215 (1) The rate at which a local district levies a property tax for district operation and
216 maintenance expenses on the taxable value of taxable property within the district may not
217 exceed:

- 218 (a) .0008, for a basic local district;
- 219 (b) .0004, for a cemetery maintenance district;
- 220 (c) .0004, for a drainage district;
- 221 (d) .0008, for a fire protection district;
- 222 (e) .0008, for an improvement district;
- 223 (f) .0005, for a metropolitan water district;
- 224 (g) .0004, for a mosquito abatement district;
- 225 (h) .0004, for a public transit district;
- 226 (i) (i) .0023, for a service area that:
- 227 (A) is located in a county of the first or second class; and
- 228 (B) (I) provides fire protection, paramedic, and emergency services; or
- 229 (II) subject to Subsection (3), provides law enforcement services; or
- 230 (ii) .0014, for each other service area;
- 231 (j) the rates provided in Section 17B-2a-1006, for a water conservancy district; ~~or~~
- 232 (k) .0008 for a municipal services district~~[-];~~ or
- 233 (l) .0015 for a public infrastructure district.

234 (2) Property taxes levied by a local district are excluded from the limit applicable to
235 that district under Subsection (1) if the taxes are:

- 236 (a) levied under Section 17B-1-1103 by a local district, other than a water conservancy
237 district, to pay principal of and interest on general obligation bonds issued by the district;
- 238 (b) levied to pay debt and interest owed to the United States; or
- 239 (c) levied to pay assessments or other amounts due to a water users association or other
240 public cooperative or private entity from which the district procures water.

241 (3) A service area described in Subsection (1)(i)(i)(B)(II) may not collect a tax
242 described in Subsection (1)(i)(i) if a municipality or a county having a right to appoint a
243 member to the board of trustees of the service area under Subsection 17B-2a-905(2) assesses
244 on or after November 30 in the year in which the tax is first collected and each subsequent year

245 that the tax is collected:

246 (a) a generally assessed fee imposed under Section 17B-1-643 for law enforcement
247 services; or

248 (b) any other generally assessed fee for law enforcement services.

249 Section 3. Section 17B-1-1102 is amended to read:

250 **17B-1-1102. General obligation bonds.**

251 (1) Except as provided in Subsection (3), if a district intends to issue general obligation
252 bonds, the district shall first obtain the approval of district voters for issuance of the bonds at
253 an election held for that purpose as provided in Title 11, Chapter 14, Local Government
254 Bonding Act.

255 (2) General obligation bonds shall be secured by a pledge of the full faith and credit of
256 the district, subject, for a water conservancy district, to the property tax levy limits of Section
257 17B-2a-1006.

258 (3) A district may issue refunding general obligation bonds, as provided in Title 11,
259 Chapter 27, Utah Refunding Bond Act, without obtaining voter approval.

260 (4) (a) A local district may not issue general obligation bonds if the issuance of the
261 bonds will cause the outstanding principal amount of all of the district's general obligation
262 bonds to exceed the amount that results from multiplying the fair market value of the taxable
263 property within the district, as determined under Subsection 11-14-301(3)(b), by a number that
264 is:

- 265 (i) .05, for a basic local district;
- 266 (ii) .004, for a cemetery maintenance district;
- 267 (iii) .002, for a drainage district;
- 268 (iv) .004, for a fire protection district;
- 269 (v) .024, for an improvement district;
- 270 (vi) .1, for an irrigation district;
- 271 (vii) .1, for a metropolitan water district;
- 272 (viii) .0004, for a mosquito abatement district;
- 273 (ix) .03, for a public transit district;
- 274 (x) .12, for a service area; ~~or~~
- 275 (xi) .05 for a municipal services district[-]; or

276 (xii) .15 for a public infrastructure district.

277 (b) Bonds or other obligations of a local district that are not general obligation bonds
278 are not included in the limit stated in Subsection (4)(a).

279 (5) A district may not be considered to be a municipal corporation for purposes of the
280 debt limitation of the Utah Constitution, Article XIV, Section 4.

281 (6) Bonds issued by an administrative or legal entity created under Title 11, Chapter
282 13, Interlocal Cooperation Act, may not be considered to be bonds of a local district that
283 participates in the agreement creating the administrative or legal entity.

284 Section 4. Section **17B-2a-1201** is enacted to read:

285 **Part 12. Public Infrastructure District Act**

286 **17B-2a-1201. Title.**

287 This part is known as "Public Infrastructure District Act."

288 Section 5. Section **17B-2a-1202** is enacted to read:

289 **17B-2a-1202. Definitions.**

290 As used in this part:

291 (1) "Board" means the board of trustees of a public infrastructure district.

292 (2) "Service plan" means an initial service plan to which the entity creating the public
293 infrastructure district agrees at the creation of the public infrastructure district.

294 (3) "Ward" means a division of a public infrastructure district:

295 (a) that is relatively equal in size to all other wards within the public infrastructure
296 district; and

297 (b) which a member of the board represents.

298 Section 6. Section **17B-2a-1203** is enacted to read:

299 **17B-2a-1203. Provisions applicable to public infrastructure districts.**

300 (1) Each public infrastructure district is governed by and has the powers stated in:

301 (a) this part; and

302 (b) Chapter 1, Provisions Applicable to All Local Districts.

303 (2) This part applies only to a public infrastructure district.

304 (3) A public infrastructure district is not subject to the provisions of any other part of
305 this chapter.

306 (4) If there is a conflict between a provision in Chapter 1, Provisions Applicable to All

307 Local Districts, and a provision in this part, the provision in this part governs.

308 Section 7. Section **17B-2a-1204** is enacted to read:

309 **17B-2a-1204. Creation.**

310 (1) In addition to the provisions regarding creation in Chapter 1, Provisions Applicable
311 to All Local Districts, a public infrastructure district may not be created unless:

312 (a) if there are any voters within the boundaries of the proposed public infrastructure
313 district, 100% of voters within the boundaries of the proposed public infrastructure district
314 approve the creation of the public infrastructure district in accordance with Section [17B-1-214](#);
315 and

316 (b) notwithstanding Section [17B-1-214](#), 100% of surface property owners within the
317 boundaries of the public infrastructure district sign a petition consenting to the creation of the
318 public infrastructure district.

319 (2) (a) Notwithstanding Chapter 1, Part 4, Annexation, new property may be added to a
320 public infrastructure district through the same manner by which a public infrastructure district
321 may be created.

322 (b) Notwithstanding Chapter 1, Part 4, Annexation, property may be removed from a
323 public infrastructure district if any bonds allocable to the area to be removed are paid before the
324 proposed removal.

325 (3) The entity that approves the creation of a public infrastructure district may impose
326 limitations on the public infrastructure district through a service plan.

327 (4) (a) A public infrastructure district is separate and distinct from the entity that
328 approves the creation of the public infrastructure district.

329 (b) (i) Except as provided in Subsection (4)(b)(ii), any financial burden of a public
330 infrastructure district:

331 (A) is borne solely by the public infrastructure district; and

332 (B) is not borne by the entity that approved the creation of the public infrastructure
333 district.

334 (ii) Notwithstanding Subsection (4)(b)(i) and Section [17B-1-216](#), the initial service
335 plan may require:

336 (A) the entity that creates the public infrastructure district to bear the initial costs of the
337 public infrastructure district; and

338 (B) the public infrastructure district to reimburse the creating entity for the initial costs
339 the creating entity bears.

340 (c) (i) The responsibility of any collection, enforcement, or foreclosure proceeding:

341 (A) is borne solely by the public infrastructure district; and

342 (B) is not borne by the entity that approved the creation of the public infrastructure
343 district.

344 (ii) A public infrastructure district may only undertake the enforcement responsibility
345 described in Subsection (4)(c)(i) in accordance with Title 59, Chapter 2, Property Tax Act.

346 Section 8. Section **17B-2a-1205** is enacted to read:

347 **17B-2a-1205. Public infrastructure district board.**

348 (1) The legislative body of the entity that approves the creation of a public
349 infrastructure district shall appoint the members of the board, in accordance with the initial
350 service plan.

351 (2) (a) The members of the board shall serve for terms of six years.

352 (b) Unless otherwise provided in the service plan, the terms of members of the board
353 do not begin to run until there is a voter other than those who originally consented to the
354 original formation of the public infrastructure district living within the boundaries of the public
355 infrastructure district.

356 (3) Notwithstanding Subsection [17B-1-302\(1\)\(b\)](#), a board member is not required to
357 live within the boundaries of the public infrastructure district if, at the time of the creation of
358 the public infrastructure district:

359 (a) all of the surface property owners consent to the waiver of the residency
360 requirement; or

361 (b) there are no residents within the boundaries of the public infrastructure district.

362 (4) (a) A petition under Subsection [17B-1-203\(1\)\(a\)](#) or (b) and a resolution under
363 Subsection [17B-1-203\(1\)\(d\)](#) or (e) may provide for a transition from legislative body
364 appointment under Subsection (1) to a method of election by registered voters based upon
365 milestones or events that the petition or resolution identifies, including the density milestone
366 described in Subsection (4)(b)(i).

367 (b) (i) If the petition or resolution described in Subsection (4)(a) provides for a
368 transition from appointed to elected board members, the petition or resolution shall establish a

369 density milestone so that when the density of a ward surpasses the density milestone, the ward
370 elects a member of the board in place of an appointed member at the next general election.

371 (ii) Regardless of whether one or more wards elect a board member under Subsection
372 (4)(b)(i), the position of each remaining board member shall continue to be appointed under
373 Subsection (1) until the member's respective ward surpasses the density milestone described in
374 Subsection (4)(b)(i).

375 (5) If a vacancy of an appointed seat occurs, the remaining members of the board may
376 appoint an individual to fill the vacancy.

377 Section 9. Section **17B-2a-1206** is enacted to read:

378 **17B-2a-1206. Additional public infrastructure district powers.**

379 (1) In addition to the powers conferred on a public infrastructure district under Section
380 17B-1-103, a public infrastructure district may:

381 (a) issue negotiable bonds to pay:

382 (i) all or part of the costs of acquiring, acquiring an interest in, improving, or extending
383 any of the improvements, facilities, or property allowed under Section 11-14-103;

384 (ii) the capital costs for facilities necessary to provide:

385 (A) a television service, including cable television, television relay, and translator
386 facilities; or

387 (B) a public telecommunications service;

388 (iii) costs of improvements in an energy assessment area, as defined in Section
389 11-42a-102, and other related costs, against the funds that the public infrastructure district will
390 receive because of an assessment in an energy assessment area, as defined in Section
391 11-42a-401;

392 (iv) costs related to housing; and

393 (v) costs related to public transportation;

394 (b) engage in economic development;

395 (c) provide covenant enforcement and design review services;

396 (d) provide traffic and safety controls;

397 (e) enter into an interlocal agreement in accordance with Title 11, Chapter 13,
398 Interlocal Cooperation Act; and

399 (f) notwithstanding Subsection (2), acquire improvements for fair market value as

400 determined by the board.

401 (2) A public infrastructure district is subject to the same procurement requirements as
402 the entity that creates the public infrastructure district.

403 Section 10. Section **17B-2a-1207** is enacted to read:

404 **17B-2a-1207. Public infrastructure district bonds.**

405 (1) A public infrastructure district may issue negotiable bonds for the purposes
406 described in Section [17B-2a-1206](#), as provided in, as applicable:

407 (a) Title 11, Chapter 14, Local Government Bonding Act;

408 (b) Title 11, Chapter 27, Utah Refunding Bond Act; and

409 (c) this section.

410 (2) A public infrastructure district may issue bonds:

411 (a) which mature within 40 years of the date of issuance; and

412 (b) for which the interest rate is uncapped.

413 (3) (a) A public infrastructure district may refinance limited tax bonds as general
414 obligation bonds upon a preestablished debt to full value ratio of 15%.

415 (b) Consent of the property owners within a public infrastructure district to the
416 issuance of a limited tax bond satisfies the election requirement for a general obligation bond
417 to be issued in place of a limited tax bond described in Subsection (3)(a).

418 (4) There is no limitation on the duration of revenues that a public infrastructure
419 district may receive to cover any shortfall in the payment of principal of and interest on a bond
420 that the public infrastructure district issues.

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

424 (i) publication of the issuance of the bond; or

425 (ii) publication of a notice of bond containing substantially the items required under
426 Subsection [11-14-316\(2\)](#).

427 (b) After the 30-day period described in Subsection (5)(a), no person may bring a
428 lawsuit or other proceeding contesting the regularity, formality, or legality of the bond for any
429 reason.

430 Section 11. Section **17B-2a-1208** is enacted to read:

431 **17B-2a-1208. Fees.**

432 A public infrastructure district may charge a fee or other charge for a service that the
433 public infrastructure district provides, to pay some or all of the public infrastructure district's
434 costs of providing the service.

435 Section 12. Section **17B-2a-1209** is enacted to read:

436 **17B-2a-1209. Limits on public infrastructure district property tax levy.**

437 (1) The property tax levy of a public infrastructure district, for all purposes, including
438 payment of debt service on bonds, may not exceed .0015 per dollar of taxable value of taxable
439 property in the district.

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

443 Section 13. Section **17B-2a-1210** is enacted to read:

444 **17B-2a-1210. Property tax penalty for nonpayment.**

445 In the event of nonpayment of any tax, fee, or charge that a public infrastructure district
446 imposes, the public infrastructure district may impose a property tax penalty at an annual rate
447 of .07.

448 Section 14. Section **17B-2a-1211** is enacted to read:

449 **17B-2a-1211. Relation to other local entities.**

450 (1) Notwithstanding the creation of the public infrastructure district, the entity that
451 creates the public infrastructure district retains authority over all zoning, planning, and
452 permitting within the public infrastructure district.

453 (2) The inclusion of property within the boundaries of a public infrastructure district
454 does not preclude the inclusion of the property within any other local district.

455 (3) All infrastructure that is connected to another public entity's systems belongs to that
456 public entity, regardless of inclusion within the boundaries of a public infrastructure district.

457 Section 15. Section **17B-2a-1212** is enacted to read:

458 **17B-2a-1212. Transparency.**

459 A public infrastructure district:

460 (1) is subject to Title 52, Chapter 4, Open and Public Meetings Act; and

461 (2) shall file annual reports with the entity that creates the public infrastructure district

462 regarding the public infrastructure district's actions, including any bonds that the public
463 infrastructure district issues.

464 Section 16. Section **17B-2a-1213** is enacted to read:

465 **17B-2a-1213. Action to contest tax, fee, or proceeding -- Requirements --**
466 **Exclusive remedy -- Bonds, taxes, and fees incontestable.**

467 (1) A person who contests a tax or fee or any proceeding to create a public
468 infrastructure district, levy a tax, or impose a fee may bring a civil action against the public
469 infrastructure district or the entity that created the public infrastructure district to:

470 (a) set aside the proceeding; or

471 (b) enjoin the levy, imposition, or collection of a tax or fee.

472 (2) The person bringing an action described in Subsection (1):

473 (a) shall bring the action in the district court with jurisdiction in the county in which
474 the public infrastructure district is located; and

475 (b) may not bring the action against or serve a summons relating to the action on the
476 public infrastructure district more than 30 days after the effective date of the:

477 (i) creation of the public infrastructure district, if the challenge is to the creation of the
478 public infrastructure district; or

479 (ii) tax or fee, if the challenge is to a tax or fee.

480 (3) An action under Subsection (1) is the exclusive remedy of a person who:

481 (a) claims an error or irregularity in a tax or fee or in any proceeding to create a public
482 infrastructure district, levy a tax, or impose a fee; or

483 (b) challenges a bondholder's right to repayment.

484 (4) After the expiration of the 30-day period described in Subsection (2)(b):

485 (a) a bond issued or to be issued with respect to a public infrastructure district and any
486 tax levied or fee imposed becomes incontestable against any person who has not brought an
487 action and served a summons in accordance with this section;

488 (b) a person may not bring a suit to:

489 (i) enjoin the issuance or payment of a bond or the levy, imposition, collection, or
490 enforcement of a tax or fee; or

491 (ii) attack or question in any way the legality of a bond, tax, or fee; and

492 (c) a court may not inquire into the matters described in Subsection (4)(b).

493 (5) (a) This section does not insulate a public infrastructure district from a claim of
494 misuse of funds after the expiration of the 30-day period described in Subsection (2)(b).

495 (b) (i) Except as provided in Subsection (5)(b)(ii), an action in the nature of mandamus
496 is the sole form of relief available to a party challenging the misuse of funds.

497 (ii) The limitation in Subsection (5)(b)(i) does not prohibit the filing of criminal
498 charges against or the prosecution of a party for the misuse of funds.