

Senator Daniel McCay proposes the following substitute bill:

**PUBLIC INFRASTRUCTURE DISTRICT ACT**

2019 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Daniel McCay**

House Sponsor: \_\_\_\_\_

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**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 certain 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



26           ▶ makes technical changes.

27 **Money Appropriated in this Bill:**

28           None

29 **Other Special Clauses:**

30           None

31 **Utah Code Sections Affected:**

32 AMENDS:

33           **11-42-201**, as last amended by Laws of Utah 2015, Chapter 396

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

35           **17B-1-1102**, as last amended by Laws of Utah 2015, Chapter 352

36 ENACTS:

37           **17B-2a-1201**, Utah Code Annotated 1953

38           **17B-2a-1202**, Utah Code Annotated 1953

39           **17B-2a-1203**, Utah Code Annotated 1953

40           **17B-2a-1204**, Utah Code Annotated 1953

41           **17B-2a-1205**, Utah Code Annotated 1953

42           **17B-2a-1206**, Utah Code Annotated 1953

43           **17B-2a-1207**, Utah Code Annotated 1953

44           **17B-2a-1208**, Utah Code Annotated 1953

45           **17B-2a-1209**, Utah Code Annotated 1953

46           **17B-2a-1210**, Utah Code Annotated 1953

47           **17B-2a-1211**, Utah Code Annotated 1953

48           **17B-2a-1212**, Utah Code Annotated 1953

49           **17B-2a-1213**, Utah Code Annotated 1953



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

52           Section 1. Section **11-42-201** is amended to read:

53           **11-42-201. Resolution or ordinance designating an assessment area --**

54 **Classifications within an assessment area -- Preconditions to adoption of a resolution or**  
55 **ordinance.**

56           (1) (a) Subject to the requirements of this part, a governing body of a local entity

57 intending to levy an assessment on property to pay some or all of the cost of providing  
58 improvements benefitting the property, performing operation and maintenance benefitting the  
59 property, or conducting economic promotion activities benefitting the property shall adopt a  
60 resolution or ordinance designating an assessment area.

61 (b) A designation resolution or designation ordinance described in Subsection (1)(a)  
62 may divide the assessment area into multiple classifications to allow the governing body to:

63 (i) levy a different level of assessment; or

64 (ii) use a different assessment method in each classification to reflect more fairly the  
65 benefits that property within the different classifications is expected to receive because of the  
66 proposed improvement, operation and maintenance, or economic promotion activities.

67 (c) The boundaries of a proposed assessment area:

68 (i) may include property that is not intended to be assessed; and

69 (ii) except for an assessment area within a public infrastructure district as defined in  
70 Section 17B-1-102, may not be coextensive or substantially coterminous with the boundaries of  
71 the local entity.

72 (2) Before adopting a designation resolution or designation ordinance described in  
73 Subsection (1)(a), the governing body of the local entity shall:

74 (a) give notice as provided in Section 11-42-202;

75 (b) receive and consider all protests filed under Section 11-42-203; and

76 (c) hold a public hearing as provided in Section 11-42-204.

77 Section 2. Section 17B-1-102 is amended to read:

78 **17B-1-102. Definitions.**

79 As used in this title:

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

82 (2) "Basic local district":

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

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

86 (3) "Bond" means:

87 (a) a written obligation to repay borrowed money, whether denominated a bond, note,

88 warrant, certificate of indebtedness, or otherwise; and

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

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

91 (ii) the district's board of trustees, in its discretion, treats as a bond for purposes of Title  
92 11, Chapter 14, Local Government Bonding Act, or Title 11, Chapter 27, Utah Refunding Bond  
93 Act.

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

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

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

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

109 (8) "General obligation bond":

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

112 (i) levied:

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

114 (B) on taxable property within the district; and

115 (ii) in excess of the ad valorem property taxes of the district for the current fiscal year;

116 and

117 (b) does not include:

118 (i) a short-term bond;

- 119 (ii) a tax and revenue anticipation bond; or
- 120 (iii) a special assessment bond.
- 121 (9) "Improvement assurance" means a surety bond, letter of credit, cash, or other
- 122 security:
- 123 (a) to guarantee the proper completion of an improvement;
- 124 (b) that is required before a local district may provide a service requested by a service
- 125 applicant; and
- 126 (c) that is offered to a local district to induce the local district before construction of an
- 127 improvement begins to:
- 128 (i) provide the requested service; or
- 129 (ii) commit to provide the requested service.
- 130 (10) "Improvement assurance warranty" means a promise that the materials and
- 131 workmanship of an improvement:
- 132 (a) comply with standards adopted by a local district; and
- 133 (b) will not fail in any material respect within an agreed warranty period.
- 134 (11) "Improvement district" means a local district that operates under and is subject to
- 135 the provisions of this chapter and Chapter 2a, Part 4, Improvement District Act, including an
- 136 entity that was created and operated as a county improvement district under the law in effect
- 137 before April 30, 2007.
- 138 (12) "Irrigation district" means a local district that operates under and is subject to the
- 139 provisions of this chapter and Chapter 2a, Part 5, Irrigation District Act, including an entity that
- 140 was created and operated as an irrigation district under the law in effect before April 30, 2007.
- 141 (13) "Local district" means a limited purpose local government entity, as described in
- 142 Section [17B-1-103](#), that operates under, is subject to, and has the powers set forth in:
- 143 (a) this chapter; or
- 144 (b) (i) this chapter; and
- 145 (ii) (A) Chapter 2a, Part 1, Cemetery Maintenance District Act;
- 146 (B) Chapter 2a, Part 2, Drainage District Act;
- 147 (C) Chapter 2a, Part 3, Fire Protection District Act;
- 148 (D) Chapter 2a, Part 4, Improvement District Act;
- 149 (E) Chapter 2a, Part 5, Irrigation District Act;

- 150 (F) Chapter 2a, Part 6, Metropolitan Water District Act;
- 151 (G) Chapter 2a, Part 7, Mosquito Abatement District Act;
- 152 (H) Chapter 2a, Part 8, Public Transit District Act;
- 153 (I) Chapter 2a, Part 9, Service Area Act;
- 154 (J) Chapter 2a, Part 10, Water Conservancy District Act; ~~[or]~~
- 155 (K) Chapter 2a, Part 11, Municipal Services District Act~~[-];~~ or
- 156 (L) Chapter 2a, Part 12, Public Infrastructure District Act.

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

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

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

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

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

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

172 (20) "Political subdivision" means a county, city, town, metro township, local district  
173 under this title, special service district under Title 17D, Chapter 1, Special Service District Act,  
174 an entity created by interlocal cooperation agreement under Title 11, Chapter 13, Interlocal  
175 Cooperation Act, or any other governmental entity designated in statute as a political  
176 subdivision of the state.

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

179 (22) "Public entity" means:

- 180 (a) the United States or an agency of the United States;

- 181 (b) the state or an agency of the state;
- 182 (c) a political subdivision of the state or an agency of a political subdivision of the
- 183 state;
- 184 (d) another state or an agency of that state; or
- 185 (e) a political subdivision of another state or an agency of that political subdivision.

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

189 [~~(23)~~] (24) "Public transit district" means a local district that operates under and is  
190 subject to the provisions of this chapter and Chapter 2a, Part 8, Public Transit District Act,  
191 including an entity that was created and operated as a public transit district under the law in  
192 effect before April 30, 2007.

193 [~~(24)~~] (25) "Revenue bond":

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

196 (b) does not include:

- 197 (i) an obligation constituting an indebtedness within the meaning of an applicable
- 198 constitutional or statutory debt limit;
- 199 (ii) a tax and revenue anticipation bond; or
- 200 (iii) a special assessment bond.

201 [~~(25)~~] (26) "Rules of order and procedure" means a set of rules that govern and  
202 prescribe in a public meeting:

- 203 (a) parliamentary order and procedure;
- 204 (b) ethical behavior; and
- 205 (c) civil discourse.

206 [~~(26)~~] (27) "Service applicant" means a person who requests that a local district  
207 provide a service that the local district is authorized to provide.

208 [~~(27)~~] (28) "Service area" means a local district that operates under and is subject to the  
209 provisions of this chapter and Chapter 2a, Part 9, Service Area Act, including an entity that was  
210 created and operated as a county service area or a regional service area under the law in effect  
211 before April 30, 2007.

212            [~~(28)~~] (29) "Short-term bond" means a bond that is required to be repaid during the  
213 fiscal year in which the bond is issued.

214            [~~(29)~~] (30) "Special assessment" means an assessment levied against property to pay all  
215 or a portion of the costs of making improvements that benefit the property.

216            [~~(30)~~] (31) "Special assessment bond" means a bond payable from special assessments.

217            [~~(31)~~] (32) "Specialized local district" means a local district that is a cemetery  
218 maintenance district, a drainage district, a fire protection district, an improvement district, an  
219 irrigation district, a metropolitan water district, a mosquito abatement district, a public transit  
220 district, a service area, a water conservancy district, [~~or~~] a municipal services district, or a  
221 public infrastructure district.

222            [~~(32)~~] (33) "Taxable value" means the taxable value of property as computed from the  
223 most recent equalized assessment roll for county purposes.

224            [~~(33)~~] (34) "Tax and revenue anticipation bond" means a bond:

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

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

229            [~~(34)~~] (35) "Unincorporated" means not included within a municipality.

230            [~~(35)~~] (36) "Water conservancy district" means a local district that operates under and  
231 is subject to the provisions of this chapter and Chapter 2a, Part 10, Water Conservancy District  
232 Act, including an entity that was created and operated as a water conservancy district under the  
233 law in effect before April 30, 2007.

234            [~~(36)~~] (37) "Works" includes a dam, reservoir, well, canal, conduit, pipeline, drain,  
235 tunnel, power plant, and any facility, improvement, or property necessary or convenient for  
236 supplying or treating water for any beneficial use, and for otherwise accomplishing the  
237 purposes of a local district.

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

239            **17B-1-1102. General obligation bonds.**

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



243 Bonding Act.

244 (2) General obligation bonds shall be secured by a pledge of the full faith and credit of  
245 the district, subject[;] to:

246 (a) for a water conservancy district, [~~to~~] the property tax levy limits of Section

247 [17B-2a-1006](#)[;] and

248 (b) for a limited tax bond that a public infrastructure district issues, the property tax  
249 levy limits of Section [17B-2a-1209](#).

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

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

257 (i) .05, for a basic local district;

258 (ii) .004, for a cemetery maintenance district;

259 (iii) .002, for a drainage district;

260 (iv) .004, for a fire protection district;

261 (v) .024, for an improvement district;

262 (vi) .1, for an irrigation district;

263 (vii) .1, for a metropolitan water district;

264 (viii) .0004, for a mosquito abatement district;

265 (ix) .03, for a public transit district;

266 (x) .12, for a service area; [~~or~~]

267 (xi) .05 for a municipal services district[;] or

268 (xii) except for a limited tax bond as defined in Section [17B-2a-1202](#), .15 for a public  
269 infrastructure district.

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

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

274 (6) Bonds issued by an administrative or legal entity created under Title 11, Chapter  
275 13, Interlocal Cooperation Act, may not be considered to be bonds of a local district that  
276 participates in the agreement creating the administrative or legal entity.

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

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

279 **17B-2a-1201. Title.**

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

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

282 **17B-2a-1202. Definitions.**

283 As used in this part:

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

285 (2) "Creating entity" means the county or municipality that approves of the creation of  
286 the public infrastructure district.

287 (3) "District applicant" means the person proposing the creation of the public  
288 infrastructure district.

289 (4) (a) "Limited tax bond" means a bond that:

290 (i) is directly payable from and secured by ad valorem property taxes that are levied:

291 (A) by the public infrastructure district that issues the bond; and

292 (B) on taxable property within the district;

293 (ii) is a general obligation of the public infrastructure district; and

294 (iii) does not exceed the mill rate limit established under Section [17B-2a-1209](#) for any  
295 fiscal year.

296 (b) "Limited tax bond does not include:

297 (i) a short-term bond;

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

299 (iii) a special assessment bond.

300 (5) "Service plan" means a service plan governing the public infrastructure district to  
301 which the creating entity agrees before the creation of the public infrastructure district, as  
302 amended from time to time.

303 (6) "Ward" means a division of a public infrastructure district:

304 (a) that is relatively equal in number of eligible voters or potential eligible voters to all

305 other wards within the public infrastructure district, taking into account existing or potential  
306 developments which, when completed, would increase or decrease the population within the  
307 public infrastructure district; and

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

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

310 **17B-2a-1203. Provisions applicable to public infrastructure districts.**

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

312 (a) this part; and

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

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

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

317 (4) If there is a conflict between a provision in Chapter 1, Provisions Applicable to All  
318 Local Districts, and a provision in this part, the provision in this part governs.

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

320 **17B-2a-1204. Creation.**

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

324 (a) if there are any registered voters within the applicable area, a petition is filed with  
325 the creating entity that contains the signatures of 100% of registered voters within the  
326 applicable area approving the creation of the public infrastructure district; and

327 (b) a petition is filed with the creating entity that contains the signatures of 100% of  
328 surface property owners within the applicable area consenting to the creation of the public  
329 infrastructure district.

330 (2) The election requirement of Section [17B-1-214](#) does not apply to a petition meeting  
331 the requirements of Subsection (1).

332 (3) (a) Notwithstanding Chapter 1, Part 4, Annexation, an area outside of the  
333 boundaries of a public infrastructure district may be annexed into the public infrastructure  
334 district after adoption of a resolution of the board through the same manner by which a public  
335 infrastructure district may be created.

336 (b) (i) Except as provided in Subsection (3)(b)(ii) and notwithstanding Chapter 1, Part  
337 5, Withdrawal, property may be withdrawn from a public infrastructure district after adoption  
338 of a resolution of the board through the same manner by which a public infrastructure district  
339 may be created.

340 (ii) If any bonds that the public infrastructure district issues are allocable to the area to  
341 be removed and remain unpaid at the time of the proposed removal, the property remains  
342 subject to any taxes, fees, or assessments that the public infrastructure district imposes until the  
343 bonds or any associated refunding bonds are paid.

344 (4) The creating entity may impose limitations on the public infrastructure district  
345 through a service plan.

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

347 (b) (i) Except as provided in Subsection (5)(b)(ii), any financial burden of a public  
348 infrastructure district:

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

350 (B) is not borne by the creating entity or any municipality, county, the state, or any  
351 other political subdivision.

352 (ii) Notwithstanding Subsection (5)(b)(i) and Section [17B-1-216](#), the service plan may  
353 require:

354 (A) the district applicant to bear the initial costs of the public infrastructure district;  
355 and

356 (B) the public infrastructure district to reimburse the district applicant for the initial  
357 costs the creating entity bears.

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

359 (i) is the sole responsibility of the public infrastructure district; and

360 (ii) does not constitute a liability, judgment, or claim against the creating entity, the  
361 state, or any municipality, county, or other political subdivision.

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

365 (B) The creating entity does not bear the responsibility described in Subsection  
366 (5)(d)(i)(A).

367 (ii) A public infrastructure district may only undertake the enforcement responsibility  
368 described in, as applicable, Subsection (5)(d)(i) in accordance with Title 59, Chapter 2,  
369 Property Tax Act, or Title 11, Chapter 42, Assessment Area Act.

370 (6) The creating entity may establish criteria in determining whether to approve or  
371 disapprove of the creation of a public infrastructure district, including:

372 (a) historical performance of the district applicant;

373 (b) compliance with the creating entity's master plan;

374 (c) credit worthiness of the district applicant;

375 (d) plan of finance of the public infrastructure district; and

376 (e) proposed development within the public infrastructure district.

377 (7) (a) The creation of a public infrastructure district is subject to the sole discretion of  
378 the creating entity responsible for approving or rejecting the creation of the public  
379 infrastructure district.

380 (b) The proposed creating entity bears no liability for rejecting the proposed creation of  
381 a public infrastructure district.

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

383 **17B-2a-1205. Public infrastructure district board -- Service plan.**

384 (1) The legislative body of the entity that approves the creation of a public  
385 infrastructure district shall appoint the members of the board, in accordance with the service  
386 plan.

387 (2) (a) The members of the board shall serve for terms of not more than four years.

388 (b) Unless otherwise provided in the service plan, the terms of members of the board  
389 continue until a date that is four years after the date on which a voter other than the voters who  
390 originally consented to the original formation of the public infrastructure district first resides  
391 within the boundaries of the public infrastructure district.

392 (3) (a) Notwithstanding Subsection [17B-1-302\(1\)\(b\)](#), a board member is not required  
393 to be a resident within the boundaries of the public infrastructure district if, at the time of the  
394 creation of the public infrastructure district:

395 (i) all of the surface property owners consent to the waiver of the residency  
396 requirement; or

397 (ii) there are no residents within the boundaries of the public infrastructure district.

398 (b) The residency requirement in Subsection 17B-1-302(1)(b) is applicable to any  
399 board member elected in a ward that has transitioned from an appointed to an elected board  
400 member in accordance with this section.

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

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

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

406 (4) (a) A service plan may provide for a transition from legislative body appointment  
407 under Subsection (1) to a method of election by registered voters based upon milestones or  
408 events that the service plan identifies, including the density milestone described in Subsection  
409 (4)(b)(i).

410 (b) (i) If the service plan described in Subsection (4)(a) provides for a transition from  
411 appointed to elected board members, the service plan may establish a density milestone  
412 providing that when the density of a ward surpasses the density milestone, the ward elects a  
413 member of the board in place of an appointed member at the next municipal general election.

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

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

420 (6) (a) The board may, in the board's discretion but no more frequently than every four  
421 years, reestablish the boundaries of each ward so that each ward has, as nearly as possible, the  
422 same number of eligible voters.

423 (b) In reestablishing ward boundaries under Subsection (6)(a), the board shall consider  
424 existing or potential developments within the wards which, when completed, would increase or  
425 decrease the number of eligible voters within the ward.

426 (7) The board and the governing body of the creating entity may amend a service plan  
427 by each adopting a resolution that approves the amended service plan.

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

429 **17B-2a-1206. Additional public infrastructure district powers.**

430 In addition to the powers conferred on a public infrastructure district under Section

431 [17B-1-103](#), a public infrastructure district may:

432 (1) issue negotiable bonds to pay:

433 (a) all or part of the costs of acquiring, acquiring an interest in, improving, or extending  
434 any of the improvements, facilities, or property allowed under Section [11-14-103](#);

435 (b) the capital costs for facilities necessary to provide:

436 (i) a television service, including cable television, television relay, and translator  
437 facilities; or

438 (ii) a public telecommunications service;

439 (c) capital costs of improvements in an energy assessment area, as defined in Section  
440 [11-42a-102](#), and other related costs, against the funds that the public infrastructure district will  
441 receive because of an assessment in an energy assessment area, as defined in Section  
442 [11-42a-401](#);

443 (d) capital costs related to housing; and

444 (e) capital costs related to public transportation;

445 (2) enter into an interlocal agreement in accordance with Title 11, Chapter 13,  
446 Interlocal Cooperation Act; and

447 (3) acquire completed or partially completed improvements for fair market value as  
448 reasonably determined by the board or the creating entity, if required in the service plan.

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

450 **17B-2a-1207. Public infrastructure district bonds.**

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

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

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

455 (c) Title 11, Chapter 42, Assessment Area Act; and

456 (d) this section.

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

459 (3) (a) A public infrastructure district may issue a limited tax bond, in the same manner

460 as a general obligation bond:

461 (i) with the consent of 100% of surface property owners within the boundaries of the  
462 public infrastructure district and 100% of the registered voters, if any, within the boundaries of  
463 the proposed public infrastructure district; or

464 (ii) upon approval of a majority of the registered voters within the boundaries of the  
465 public infrastructure district voting in an election held for that purpose under Title 11, Chapter  
466 14, Local Government Bonding Act.

467 (b) A limited tax bond described in Subsection (3)(a):

468 (i) is not subject to the limitation on a general obligation bond described in Subsection  
469 17B-1-1102(4)(a)(xii); and

470 (ii) is subject to a limitation based on the greater of the following, as applicable:

471 (A) the fair market value of the taxable property within the public infrastructure district  
472 as agreed upon with the creating entity; or

473 (B) a limitation on the principal amount of indebtedness as agreed upon with the  
474 creating entity and as provided in the service plan.

475 (c) A public infrastructure district may not issue a limited tax bond described in  
476 Subsection (3)(a) in a denomination of less than \$500,000.

477 (d) (i) Without any further election or consent of property owners or registered voters,  
478 a public infrastructure district may convert a limited tax bond described in Subsection (3)(a) to  
479 a general obligation bond if the principal amount of the related limited tax bond together with  
480 the principal amount of other related outstanding general obligation bonds of the public  
481 infrastructure district does not exceed 15% of the fair market value of taxable property in the  
482 public improvement district securing the general obligation bonds, determined by:

483 (A) an appraisal from an appraiser who is a member of the Appraisal Institute that is  
484 addressed to the public infrastructure district or a financial institution; or

485 (B) the most recent taxable value of the property from the assessor of the county in  
486 which the property is located.

487 (ii) The consent to the issuance of a limited tax bond described in Subsection (3)(a)  
488 shall meet any election statutory or constitutional requirement necessary for the issuance of the  
489 limited tax bond and any general obligation bond to be issued in place of the limited tax bond  
490 upon meeting the requirements of this Subsection (3)(d).



491 (iii) A general obligation bond resulting from a conversion of a limited tax bond under  
492 this Subsection (3)(d) is not subject to the limitation on a general obligation bond described in  
493 Subsection 17B-1-1102(4)(a)(xii).

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

497 (5) A public infrastructure district is not a municipal corporation for purposes of the  
498 debt limitation of Utah Constitution, Article XIV, Section 4.

499 (6) The board may, by resolution, delegate to one or more officers of the public  
500 infrastructure district the authority to:

501 (a) in accordance and within the parameters set forth in a resolution adopted in  
502 accordance with Section 11-14-302, approve the final interest rate, price, principal amount,  
503 maturity, redemption features, and other terms of the bond;

504 (b) approve and execute any document relating to the issuance of a bond; and

505 (c) approve any contract related to the acquisition and construction of the  
506 improvements, facilities, or property to be financed with a bond.

507 (7) (a) Any person may contest the legality of the issuance of a public infrastructure  
508 district bond or any provisions for the security and payment of the bond for a period of 30 days  
509 after:

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

511 (ii) publication of a notice of bond containing substantially the items required under  
512 Subsection 11-14-316(2).

513 (b) After the 30-day period described in Subsection (7)(a), no person may bring a  
514 lawsuit or other proceeding contesting the regularity, formality, or legality of the bond for any  
515 reason.

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

517 **17B-2a-1208. Fees.**

518 A public infrastructure district may charge a fee or other charge for an administrative  
519 service that the public infrastructure district provides, to pay some or all of the public  
520 infrastructure district's costs of providing the service.

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

522 **17B-2a-1209. Limits on public infrastructure district property tax levy.**

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

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

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

530 **17B-2a-1210. Property tax penalty for nonpayment.**

531 In the event of nonpayment of any tax, fee, or charge that a public infrastructure district  
532 imposes, the public infrastructure district may impose a property tax penalty at an annual rate  
533 of .07, in addition to any other lawful penalty for nonpayment of property tax.

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

535 **17B-2a-1211. Relation to other local entities.**

536 (1) Notwithstanding the creation of the public infrastructure district, the creating entity  
537 retains authority over all zoning, planning, and permitting within the public infrastructure  
538 district.

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

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

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

544 **17B-2a-1212. Transparency.**

545 A public infrastructure district shall file annual reports with the creating entity  
546 regarding the public infrastructure district's actions as provided in the service plan.

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

548 **17B-2a-1213. Action to contest tax, fee, or proceeding -- Requirements --**  
549 **Exclusive remedy -- Bonds, taxes, and fees incontestable.**

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

553 (a) set aside the proceeding; or  
554 (b) enjoin the levy, imposition, or collection of a tax or fee.  
555 (2) The person bringing an action described in Subsection (1):  
556 (a) shall bring the action in the district court with jurisdiction in the county in which  
557 the public infrastructure district is located; and  
558 (b) may not bring the action against or serve a summons relating to the action on the  
559 public infrastructure district more than 30 days after the effective date of the:  
560 (i) creation of the public infrastructure district, if the challenge is to the creation of the  
561 public infrastructure district; or  
562 (ii) tax or fee, if the challenge is to a tax or fee.  
563 (3) An action under Subsection (1) is the exclusive remedy of a person who:  
564 (a) claims an error or irregularity in a tax or fee or in any proceeding to create a public  
565 infrastructure district, levy a tax, or impose a fee; or  
566 (b) challenges a bondholder's right to repayment.  
567 (4) After the expiration of the 30-day period described in Subsection (2)(b):  
568 (a) a bond issued or to be issued with respect to a public infrastructure district and any  
569 tax levied or fee imposed becomes incontestable against any person who has not brought an  
570 action and served a summons in accordance with this section;  
571 (b) a person may not bring a suit to:  
572 (i) enjoin the issuance or payment of a bond or the levy, imposition, collection, or  
573 enforcement of a tax or fee; or  
574 (ii) attack or question in any way the legality of a bond, tax, or fee; and  
575 (c) a court may not inquire into the matters described in Subsection (4)(b).  
576 (5) (a) This section does not insulate a public infrastructure district from a claim of  
577 misuse of funds after the expiration of the 30-day period described in Subsection (2)(b).  
578 (b) (i) Except as provided in Subsection (5)(b)(ii), an action in the nature of mandamus  
579 is the sole form of relief available to a party challenging the misuse of funds.  
580 (ii) The limitation in Subsection (5)(b)(i) does not prohibit the filing of criminal  
581 charges against or the prosecution of a party for the misuse of funds.