

Senator Daniel McCay proposes the following substitute bill:

PUBLIC INFRASTRUCTURE DISTRICT REVISIONS

2021 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel McCay

House Sponsor: James A. Dunnigan

LONG TITLE

General Description:

This bill modifies provisions related to public infrastructure districts.

Highlighted Provisions:

This bill:

- ▶ renumbers provisions related to public infrastructure districts; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

11-42-102, as last amended by Laws of Utah 2020, Chapter 282

11-42-106, as last amended by Laws of Utah 2020, Chapter 282

11-42-201, as last amended by Laws of Utah 2019, Chapter 490

11-42-411, as last amended by Laws of Utah 2020, Chapter 282

17B-1-102, as last amended by Laws of Utah 2019, Chapter 490

17B-1-1102, as last amended by Laws of Utah 2019, Chapter 490



26 **59-2-1317**, as last amended by Laws of Utah 2019, Chapters 207 and 490

27 **63H-1-102**, as last amended by Laws of Utah 2020, Chapter 282

28 RENUMBERS AND AMENDS:

29 **17D-4-101**, (Renumbered from 17B-2a-1201, as enacted by Laws of Utah 2019,
30 Chapter 490)

31 **17D-4-102**, (Renumbered from 17B-2a-1202, as last amended by Laws of Utah 2020,
32 Chapters 282 and 397)

33 **17D-4-103**, (Renumbered from 17B-2a-1203, as enacted by Laws of Utah 2019,
34 Chapter 490)

35 **17D-4-201**, (Renumbered from 17B-2a-1204, as last amended by Laws of Utah 2020,
36 Chapters 282 and 397)

37 **17D-4-202**, (Renumbered from 17B-2a-1205, as last amended by Laws of Utah 2020,
38 Chapters 282 and 397)

39 **17D-4-203**, (Renumbered from 17B-2a-1206, as last amended by Laws of Utah 2020,
40 Chapter 282)

41 **17D-4-204**, (Renumbered from 17B-2a-1211, as enacted by Laws of Utah 2019,
42 Chapter 490)

43 **17D-4-205**, (Renumbered from 17B-2a-1212, as enacted by Laws of Utah 2019,
44 Chapter 490)

45 **17D-4-301**, (Renumbered from 17B-2a-1207, as last amended by Laws of Utah 2020,
46 Chapters 354 and 397)

47 **17D-4-302**, (Renumbered from 17B-2a-1208, as enacted by Laws of Utah 2019,
48 Chapter 490)

49 **17D-4-303**, (Renumbered from 17B-2a-1209, as enacted by Laws of Utah 2019,
50 Chapter 490)

51 **17D-4-304**, (Renumbered from 17B-2a-1210, as enacted by Laws of Utah 2019,
52 Chapter 490)

53 **17D-4-305**, (Renumbered from 17B-2a-1213, as enacted by Laws of Utah 2019,
54 Chapter 490)

55

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

57 Section 1. Section 11-42-102 is amended to read:

58 **11-42-102. Definitions.**

59 (1) As used in this chapter:

60 (a) "Adequate protests" means, for all proposed assessment areas except sewer
61 assessment areas, timely filed, written protests under Section 11-42-203 that represent at least
62 40% of the frontage, area, taxable value, fair market value, lots, number of connections, or
63 equivalent residential units of the property proposed to be assessed, according to the same
64 assessment method by which the assessment is proposed to be levied, after eliminating:

65 (i) protests relating to:

66 (A) property that has been deleted from a proposed assessment area; or

67 (B) an improvement that has been deleted from the proposed improvements to be
68 provided to property within the proposed assessment area; and

69 (ii) protests that have been withdrawn under Subsection 11-42-203(3).

70 (b) "Adequate protests" means, for a proposed sewer assessment area, timely filed,
71 written protests under Section 11-42-203 that represent at least 70% of the frontage, area,
72 taxable value, fair market value, lots, number of connections, or equivalent residential units of
73 the property proposed to be assessed, according to the same assessment method by which the
74 assessment is proposed to be levied, after eliminating adequate protests under Subsection
75 (1)(a).

76 (2) "Assessment area" means an area, or, if more than one area is designated, the
77 aggregate of all areas within a local entity's jurisdictional boundaries that is designated by a
78 local entity under Part 2, Designating an Assessment Area, for the purpose of financing the
79 costs of improvements, operation and maintenance, or economic promotion activities that
80 benefit property within the area.

81 (3) "Assessment bonds" means bonds that are:

82 (a) issued under Section 11-42-605; and

83 (b) payable in part or in whole from assessments levied in an assessment area,
84 improvement revenues, and a guaranty fund or reserve fund.

85 (4) "Assessment fund" means a special fund that a local entity establishes under
86 Section 11-42-412.

87 (5) "Assessment lien" means a lien on property within an assessment area that arises

88 from the levy of an assessment, as provided in Section [11-42-501](#).

89 (6) "Assessment method" means the method:

90 (a) by which an assessment is levied against benefitted property, whether by frontage,
91 area, taxable value, fair market value, lot, parcel, number of connections, equivalent residential
92 unit, any combination of these methods, or any other method; and

93 (b) that, when applied to a benefitted property, accounts for an assessment that meets
94 the requirements of Section [11-42-409](#).

95 (7) "Assessment ordinance" means an ordinance adopted by a local entity under
96 Section [11-42-404](#) that levies an assessment on benefitted property within an assessment area.

97 (8) "Assessment resolution" means a resolution adopted by a local entity under Section
98 [11-42-404](#) that levies an assessment on benefitted property within an assessment area.

99 (9) "Benefitted property" means property within an assessment area that directly or
100 indirectly benefits from improvements, operation and maintenance, or economic promotion
101 activities.

102 (10) "Bond anticipation notes" means notes issued under Section [11-42-602](#) in
103 anticipation of the issuance of assessment bonds.

104 (11) "Bonds" means assessment bonds and refunding assessment bonds.

105 (12) "Commercial area" means an area in which at least 75% of the property is devoted
106 to the interchange of goods or commodities.

107 (13) (a) "Commercial or industrial real property" means real property used directly or
108 indirectly or held for one of the following purposes or activities, regardless of whether the
109 purpose or activity is for profit:

110 (i) commercial;

111 (ii) mining;

112 (iii) industrial;

113 (iv) manufacturing;

114 (v) governmental;

115 (vi) trade;

116 (vii) professional;

117 (viii) a private or public club;

118 (ix) a lodge;

- 119 (x) a business; or
- 120 (xi) a similar purpose.
- 121 (b) "Commercial or industrial real property" includes real property that:
- 122 (i) is used as or held for dwelling purposes; and
- 123 (ii) contains more than four rental units.
- 124 (14) "Connection fee" means a fee charged by a local entity to pay for the costs of
- 125 connecting property to a publicly owned sewer, storm drainage, water, gas, communications, or
- 126 electrical system, whether or not improvements are installed on the property.
- 127 (15) "Contract price" means:
- 128 (a) the cost of acquiring an improvement, if the improvement is acquired; or
- 129 (b) the amount payable to one or more contractors for the design, engineering,
- 130 inspection, and construction of an improvement.
- 131 (16) "Designation ordinance" means an ordinance adopted by a local entity under
- 132 Section 11-42-206 designating an assessment area.
- 133 (17) "Designation resolution" means a resolution adopted by a local entity under
- 134 Section 11-42-206 designating an assessment area.
- 135 (18) "Economic promotion activities" means activities that promote economic growth
- 136 in a commercial area of a local entity, including:
- 137 (a) sponsoring festivals and markets;
- 138 (b) promoting business investment or activities;
- 139 (c) helping to coordinate public and private actions; and
- 140 (d) developing and issuing publications designed to improve the economic well-being
- 141 of the commercial area.
- 142 (19) "Environmental remediation activity" means a surface or subsurface enhancement,
- 143 effort, cost, initial or ongoing maintenance expense, facility, installation, system, earth
- 144 movement, or change to grade or elevation that improves the use, function, aesthetics, or
- 145 environmental condition of publicly owned property.
- 146 (20) "Equivalent residential unit" means a dwelling, unit, or development that is equal
- 147 to a single-family residence in terms of the nature of its use or impact on an improvement to be
- 148 provided in the assessment area.
- 149 (21) "Governing body" means:

- 150 (a) for a county, city, or town, the legislative body of the county, city, or town;
- 151 (b) for a local district, the board of trustees of the local district;
- 152 (c) for a special service district:
- 153 (i) the legislative body of the county, city, or town that established the special service
- 154 district, if no administrative control board has been appointed under Section 17D-1-301; or
- 155 (ii) the administrative control board of the special service district, if an administrative
- 156 control board has been appointed under Section 17D-1-301;
- 157 (d) for the military installation development authority created in Section 63H-1-201,
- 158 the board, as defined in Section 63H-1-102; and
- 159 (e) for the Utah Inland Port Authority, created in Section 11-58-201, the board, as
- 160 defined in Section 11-58-102.
- 161 (22) "Guaranty fund" means the fund established by a local entity under Section
- 162 11-42-701.
- 163 (23) "Improved property" means property upon which a residential, commercial, or
- 164 other building has been built.
- 165 (24) "Improvement":
- 166 (a) (i) means a publicly owned infrastructure, facility, system, or environmental
- 167 remediation activity that:
- 168 (A) a local entity is authorized to provide;
- 169 (B) the governing body of a local entity determines is necessary or convenient to
- 170 enable the local entity to provide a service that the local entity is authorized to provide; or
- 171 (C) a local entity is requested to provide through an interlocal agreement in accordance
- 172 with Chapter 13, Interlocal Cooperation Act; and
- 173 (ii) includes facilities in an assessment area, including a private driveway, an irrigation
- 174 ditch, and a water turnout, that:
- 175 (A) can be conveniently installed at the same time as an infrastructure, system, or other
- 176 facility described in Subsection (24)(a)(i); and
- 177 (B) are requested by a property owner on whose property or for whose benefit the
- 178 infrastructure, system, or other facility is being installed; or
- 179 (b) for a local district created to assess groundwater rights in accordance with Section
- 180 17B-1-202, means a system or plan to regulate groundwater withdrawals within a specific

181 groundwater basin in accordance with Sections 17B-1-202 and 73-5-15.

182 (25) "Improvement revenues":

183 (a) means charges, fees, impact fees, or other revenues that a local entity receives from
184 improvements; and

185 (b) does not include revenue from assessments.

186 (26) "Incidental refunding costs" means any costs of issuing refunding assessment
187 bonds and calling, retiring, or paying prior bonds, including:

188 (a) legal and accounting fees;

189 (b) charges of financial advisors, escrow agents, certified public accountant verification
190 entities, and trustees;

191 (c) underwriting discount costs, printing costs, the costs of giving notice;

192 (d) any premium necessary in the calling or retiring of prior bonds;

193 (e) fees to be paid to the local entity to issue the refunding assessment bonds and to
194 refund the outstanding prior bonds;

195 (f) any other costs that the governing body determines are necessary and proper to incur
196 in connection with the issuance of refunding assessment bonds; and

197 (g) any interest on the prior bonds that is required to be paid in connection with the
198 issuance of the refunding assessment bonds.

199 (27) "Installment payment date" means the date on which an installment payment of an
200 assessment is payable.

201 (28) "Interim warrant" means a warrant issued by a local entity under Section
202 11-42-601.

203 (29) "Jurisdictional boundaries" means:

204 (a) for a county, the boundaries of the unincorporated area of the county; and

205 (b) for each other local entity, the boundaries of the local entity.

206 (30) "Local district" means a local district under Title 17B, Limited Purpose Local
207 Government Entities - Local Districts.

208 (31) "Local entity" means:

209 (a) a county, city, town, special service district, or local district;

210 (b) an interlocal entity as defined in Section 11-13-103;

211 (c) the military installation development authority, created in Section 63H-1-201;

212 (d) a public infrastructure district created by the military installation development
213 authority under [~~Title 17B, Chapter 2a, Part 12~~] Title 17D, Chapter 4, Public Infrastructure
214 District Act;

215 (e) the Utah Inland Port Authority, created in Section [11-58-201](#); or

216 (f) any other political subdivision of the state.

217 (32) "Local entity obligations" means assessment bonds, refunding assessment bonds,
218 interim warrants, and bond anticipation notes issued by a local entity.

219 (33) "Mailing address" means:

220 (a) a property owner's last-known address using the name and address appearing on the
221 last completed real property assessment roll of the county in which the property is located; and

222 (b) if the property is improved property:

223 (i) the property's street number; or

224 (ii) the post office box, rural route number, or other mailing address of the property, if
225 a street number has not been assigned.

226 (34) "Net improvement revenues" means all improvement revenues that a local entity
227 has received since the last installment payment date, less all amounts payable by the local entity
228 from those improvement revenues for operation and maintenance costs.

229 (35) "Operation and maintenance costs":

230 (a) means the costs that a local entity incurs in operating and maintaining
231 improvements in an assessment area, whether or not those improvements have been financed
232 under this chapter; and

233 (b) includes service charges, administrative costs, ongoing maintenance charges, and
234 tariffs or other charges for electrical, water, gas, or other utility usage.

235 (36) "Overhead costs" means the actual costs incurred or the estimated costs to be
236 incurred by a local entity in connection with an assessment area for appraisals, legal fees, filing
237 fees, financial advisory charges, underwriting fees, placement fees, escrow, trustee, and paying
238 agent fees, publishing and mailing costs, costs of levying an assessment, recording costs, and
239 all other incidental costs.

240 (37) "Prior assessment ordinance" means the ordinance levying the assessments from
241 which the prior bonds are payable.

242 (38) "Prior assessment resolution" means the resolution levying the assessments from

243 which the prior bonds are payable.

244 (39) "Prior bonds" means the assessment bonds that are refunded in part or in whole by
245 refunding assessment bonds.

246 (40) "Project engineer" means the surveyor or engineer employed by or the private
247 consulting engineer engaged by a local entity to perform the necessary engineering services for
248 and to supervise the construction or installation of the improvements.

249 (41) "Property" includes real property and any interest in real property, including water
250 rights and leasehold rights.

251 (42) "Property price" means the price at which a local entity purchases or acquires by
252 eminent domain property to make improvements in an assessment area.

253 (43) "Provide" or "providing," with reference to an improvement, includes the
254 acquisition, construction, reconstruction, renovation, maintenance, repair, operation, and
255 expansion of an improvement.

256 (44) "Public agency" means:

257 (a) the state or any agency, department, or division of the state; and

258 (b) a political subdivision of the state.

259 (45) "Reduced payment obligation" means the full obligation of an owner of property
260 within an assessment area to pay an assessment levied on the property after the assessment has
261 been reduced because of the issuance of refunding assessment bonds, as provided in Section
262 [11-42-608](#).

263 (46) "Refunding assessment bonds" means assessment bonds that a local entity issues
264 under Section [11-42-607](#) to refund, in part or in whole, assessment bonds.

265 (47) "Reserve fund" means a fund established by a local entity under Section
266 [11-42-702](#).

267 (48) "Service" means:

268 (a) water, sewer, storm drainage, garbage collection, library, recreation,
269 communications, or electric service;

270 (b) economic promotion activities; or

271 (c) any other service that a local entity is required or authorized to provide.

272 (49) (a) "Sewer assessment area" means an assessment area that has as the assessment
273 area's primary purpose the financing and funding of public improvements to provide sewer

274 service where there is, in the opinion of the local board of health, substantial evidence of septic
275 system failure in the defined area due to inadequate soils, high water table, or other factors
276 proven to cause failure.

277 (b) "Sewer assessment area" does not include property otherwise located within the
278 assessment area:

279 (i) on which an approved conventional or advanced wastewater system has been
280 installed during the previous five calendar years;

281 (ii) for which the local health department has inspected the system described in
282 Subsection (49)(b)(i) to ensure that the system is functioning properly; and

283 (iii) for which the property owner opts out of the proposed assessment area for the
284 earlier of a period of 10 calendar years or until failure of the system described in Subsection
285 (49)(b)(i).

286 (50) "Special service district" means the same as that term is defined in Section
287 [17D-1-102](#).

288 (51) "Unassessed benefitted government property" means property that a local entity
289 may not assess in accordance with Section [11-42-408](#) but is benefitted by an improvement,
290 operation and maintenance, or economic promotion activities.

291 (52) "Unimproved property" means property upon which no residential, commercial, or
292 other building has been built.

293 (53) "Voluntary assessment area" means an assessment area that contains only property
294 whose owners have voluntarily consented to an assessment.

295 Section 2. Section **11-42-106** is amended to read:

296 **11-42-106. Action to contest assessment or proceeding -- Requirements --**
297 **Exclusive remedy -- Bonds and assessment incontestable.**

298 (1) A person who contests an assessment or any proceeding to designate an assessment
299 area or levy an assessment may commence a civil action against the local entity to:

300 (a) set aside a proceeding to designate an assessment area; or

301 (b) enjoin the levy or collection of an assessment.

302 (2) (a) Each action under Subsection (1) shall be commenced in the district court with
303 jurisdiction in the county in which the assessment area is located.

304 (b) (i) Except as provided in Subsection (2)(b)(ii), an action under Subsection (1) may

305 not be commenced against and a summons relating to the action may not be served on the local
306 entity more than 60 days after the effective date of the:

307 (A) designation resolution or designation ordinance, if the challenge is to the
308 designation of an assessment area;

309 (B) assessment resolution or ordinance, if the challenge is to an assessment; or

310 (C) amended resolution or ordinance, if the challenge is to an amendment.

311 (ii) The period for commencing an action and serving a summons under Subsection
312 (2)(b)(i) is 30 days if the designation resolution, assessment resolution, or amended resolution
313 was:

314 (A) adopted by the military installation development authority, created in Section
315 [63H-1-201](#), or a public infrastructure district created by the military installation development
316 authority under [~~Title 17B, Chapter 2a, Part 12~~] Title 17D, Chapter 4, Public Infrastructure
317 District Act; and

318 (B) all owners of property within the assessment area or proposed assessment area
319 consent in writing to the designation resolution, assessment resolution, or amended resolution.

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

321 (i) claims an error or irregularity in an assessment or in any proceeding to designate an
322 assessment area or levy an assessment; or

323 (ii) challenges a bondholder's right to repayment.

324 (b) A court may not hear any complaint under Subsection (1) that a person was
325 authorized to make but did not make in a protest under Section [11-42-203](#) or at a hearing under
326 Section [11-42-204](#).

327 (c) (i) If a person has not brought a claim for which the person was previously
328 authorized to bring but is otherwise barred from making under Subsection (2)(b), the claim
329 may not be brought later because of an amendment to the resolution or ordinance unless the
330 claim arises from the amendment itself.

331 (ii) In an action brought pursuant to Subsection (1), a person may not contest a
332 previous decision, proceeding, or determination for which the service deadline described in
333 Subsection (2)(b) has expired by challenging a subsequent decision, proceeding, or
334 determination.

335 (4) An assessment or a proceeding to designate an assessment area or to levy an

336 assessment may not be declared invalid or set aside in part or in whole because of an error or
337 irregularity that does not go to the equity or justice of the proceeding or the assessment meeting
338 the requirements of Section 11-42-409.

339 (5) After the expiration of the period referred to in Subsection (2)(b):

340 (a) assessment bonds and refunding assessment bonds issued or to be issued with
341 respect to an assessment area and assessments levied on property in the assessment area
342 become at that time incontestable against all persons who have not commenced an action and
343 served a summons as provided in this section; and

344 (b) a suit to enjoin the issuance or payment of assessment bonds or refunding
345 assessment bonds, the levy, collection, or enforcement of an assessment, or to attack or
346 question in any way the legality of assessment bonds, refunding assessment bonds, or an
347 assessment may not be commenced, and a court may not inquire into those matters.

348 (6) (a) This section may not be interpreted to insulate a local entity from a claim of
349 misuse of assessment funds after the expiration of the period described in Subsection (2)(b).

350 (b) (i) Except as provided in Subsection (6)(b)(ii), an action in the nature of mandamus
351 is the sole form of relief available to a party challenging the misuse of assessment funds.

352 (ii) The limitation in Subsection (6)(b)(i) does not prohibit the filing of criminal
353 charges against or the prosecution of a party for the misuse of assessment funds.

354 Section 3. Section 11-42-201 is amended to read:

355 **11-42-201. Resolution or ordinance designating an assessment area --**

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

358 (1) (a) Subject to the requirements of this part, a governing body of a local entity
359 intending to levy an assessment on property to pay some or all of the cost of providing
360 improvements benefitting the property, performing operation and maintenance benefitting the
361 property, or conducting economic promotion activities benefitting the property shall adopt a
362 resolution or ordinance designating an assessment area.

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

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

366 (ii) use a different assessment method in each classification to reflect more fairly the

367 benefits that property within the different classifications is expected to receive because of the
368 proposed improvement, operation and maintenance, or economic promotion activities.

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

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

371 (ii) except for an assessment area within a public infrastructure district [~~as defined in~~
372 ~~Section 17B-1-102~~] created under Title 17D, Chapter 4, Public Infrastructure District Act, may
373 not be coextensive or substantially coterminous with the boundaries of the local entity.

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

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

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

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

379 Section 4. Section 11-42-411 is amended to read:

380 **11-42-411. Installment payment of assessments.**

381 (1) (a) In an assessment resolution or ordinance, the governing body may, subject to
382 Subsection (1)(b), provide that some or all of the assessment be paid in installments over a
383 period:

384 (i) not to exceed 20 years from the effective date of the resolution or ordinance, except
385 as provided in Subsection (1)(a)(ii); or

386 (ii) not to exceed 30 years from the effective date of the resolution, for a resolution
387 adopted by:

388 (A) the military installation development authority, created in Section 63H-1-201; or

389 (B) a public infrastructure district created by the military installation development
390 authority under [~~Title 17B, Chapter 2a, Part 12~~] Title 17D, Chapter 4, Public Infrastructure
391 District Act.

392 (b) If an assessment resolution or ordinance provides that some or all of the assessment
393 be paid in installments for a period exceeding 10 years from the effective date of the resolution
394 or ordinance, the governing body:

395 (i) shall make a determination that:

396 (A) the improvement for which the assessment is made has a reasonable useful life for
397 the full period during which installments are to be paid; or

398 (B) it would be in the best interests of the local entity and the property owners for
399 installments to be paid for more than 10 years; and

400 (ii) may provide in the resolution or ordinance that no assessment is payable during
401 some or all of the period ending three years after the effective date of the resolution or
402 ordinance.

403 (2) An assessment resolution or ordinance that provides for the assessment to be paid
404 in installments may provide that the unpaid balance be paid over the period of time that
405 installments are payable:

- 406 (a) in substantially equal installments of principal; or
- 407 (b) in substantially equal installments of principal and interest.

408 (3) (a) Each assessment resolution or ordinance that provides for the assessment to be
409 paid in installments shall, subject to Subsections (3)(b) and (c), provide that the unpaid balance
410 of the assessment bear interest at a fixed rate, variable rate, or a combination of fixed and
411 variable rates, as determined by the governing body, from the effective date of the resolution or
412 ordinance or another date specified in the resolution or ordinance.

413 (b) If the assessment is for operation and maintenance costs or for the costs of
414 economic promotion activities:

- 415 (i) a local entity may charge interest only from the date each installment is due; and
- 416 (ii) the first installment of an assessment shall be due 15 days after the effective date of
417 the assessment resolution or ordinance.

418 (c) If an assessment resolution or ordinance provides for the unpaid balance of the
419 assessment to bear interest at a variable rate, the assessment resolution or ordinance shall
420 specify:

- 421 (i) the basis upon which the rate is to be determined from time to time;
- 422 (ii) the manner in which and schedule upon which the rate is to be adjusted; and
- 423 (iii) a maximum rate that the assessment may bear.

424 (4) Interest payable on assessments may include:

- 425 (a) interest on assessment bonds;
- 426 (b) ongoing local entity costs incurred for administration of the assessment area; and
- 427 (c) any costs incurred with respect to:
 - 428 (i) securing a letter of credit or other instrument to secure payment or repurchase of

429 bonds; or

430 (ii) retaining a marketing agent or an indexing agent.

431 (5) Interest imposed in an assessment resolution or ordinance shall be paid in addition
432 to the amount of each installment annually or at more frequent intervals as provided in the
433 assessment resolution or ordinance.

434 (6) (a) Except for an assessment for operation and maintenance costs or for the costs of
435 economic promotion activities, a property owner may pay some or all of the entire assessment
436 without interest if paid within 25 days after the assessment resolution or ordinance takes effect.

437 (b) After the 25-day period stated in Subsection (6)(a), a property owner may at any
438 time prepay some or all of the assessment levied against the owner's property.

439 (c) A local entity may require a prepayment of an installment to include:

440 (i) an amount equal to the interest that would accrue on the assessment to the next date
441 on which interest is payable on bonds issued in anticipation of the collection of the assessment;
442 and

443 (ii) the amount necessary, in the governing body's opinion or the opinion of the officer
444 designated by the governing body, to assure the availability of money to pay:

445 (A) interest that becomes due and payable on those bonds; and

446 (B) any premiums that become payable on bonds that are called in order to use the
447 money from the prepaid assessment installment.

448 Section 5. Section **17B-1-102** is amended to read:

449 **17B-1-102. Definitions.**

450 As used in this title:

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

453 (2) "Basic local district":

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

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

457 (3) "Bond" means:

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

460 (b) a lease agreement, installment purchase agreement, or other agreement that:
461 (i) includes an obligation by the district to pay money; and
462 (ii) the district's board of trustees, in its discretion, treats as a bond for purposes of Title
463 11, Chapter 14, Local Government Bonding Act, or Title 11, Chapter 27, Utah Refunding Bond
464 Act.

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

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

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

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

480 (8) "General obligation bond":

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

483 (i) levied:

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

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

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

487 and

488 (b) does not include:

489 (i) a short-term bond;

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

- 491 (iii) a special assessment bond.
- 492 (9) "Improvement assurance" means a surety bond, letter of credit, cash, or other
493 security:
- 494 (a) to guarantee the proper completion of an improvement;
- 495 (b) that is required before a local district may provide a service requested by a service
496 applicant; and
- 497 (c) that is offered to a local district to induce the local district before construction of an
498 improvement begins to:
- 499 (i) provide the requested service; or
- 500 (ii) commit to provide the requested service.
- 501 (10) "Improvement assurance warranty" means a promise that the materials and
502 workmanship of an improvement:
- 503 (a) comply with standards adopted by a local district; and
- 504 (b) will not fail in any material respect within an agreed warranty period.
- 505 (11) "Improvement district" means a local district that operates under and is subject to
506 the provisions of this chapter and Chapter 2a, Part 4, Improvement District Act, including an
507 entity that was created and operated as a county improvement district under the law in effect
508 before April 30, 2007.
- 509 (12) "Irrigation district" means a local district that operates under and is subject to the
510 provisions of this chapter and Chapter 2a, Part 5, Irrigation District Act, including an entity that
511 was created and operated as an irrigation district under the law in effect before April 30, 2007.
- 512 (13) "Local district" means a limited purpose local government entity, as described in
513 Section [17B-1-103](#), that operates under, is subject to, and has the powers set forth in:
- 514 (a) this chapter; or
- 515 (b) (i) this chapter; and
- 516 (ii) (A) Chapter 2a, Part 1, Cemetery Maintenance District Act;
- 517 (B) Chapter 2a, Part 2, Drainage District Act;
- 518 (C) Chapter 2a, Part 3, Fire Protection District Act;
- 519 (D) Chapter 2a, Part 4, Improvement District Act;
- 520 (E) Chapter 2a, Part 5, Irrigation District Act;
- 521 (F) Chapter 2a, Part 6, Metropolitan Water District Act;

522 (G) Chapter 2a, Part 7, Mosquito Abatement District Act;

523 (H) Chapter 2a, Part 8, Public Transit District Act;

524 (I) Chapter 2a, Part 9, Service Area Act;

525 (J) Chapter 2a, Part 10, Water Conservancy District Act;

526 (K) Chapter 2a, Part 11, Municipal Services District Act; or

527 (L) [~~Chapter 2a, Part 12~~] Title 17D, Chapter 4, Public Infrastructure District Act.

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

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

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

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

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

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

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

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

550 (22) "Public entity" means:

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

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

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

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

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

557 [~~(23)~~] "~~Public infrastructure district~~" means a local district that operates under and is
558 subject to the provisions of this chapter and Chapter 2a, Part 12, ~~Public Infrastructure District~~
559 ~~Act.~~]

560 [~~(24)~~] (23) "Public transit district" means a local district that operates under and is
561 subject to the provisions of this chapter and Chapter 2a, Part 8, Public Transit District Act,
562 including an entity that was created and operated as a public transit district under the law in
563 effect before April 30, 2007.

564 [~~(25)~~] (24) "Revenue bond":

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

567 (b) does not include:

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

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

571 (iii) a special assessment bond.

572 [~~(26)~~] (25) "Rules of order and procedure" means a set of rules that govern and
573 prescribe in a public meeting:

574 (a) parliamentary order and procedure;

575 (b) ethical behavior; and

576 (c) civil discourse.

577 [~~(27)~~] (26) "Service applicant" means a person who requests that a local district
578 provide a service that the local district is authorized to provide.

579 [~~(28)~~] (27) "Service area" means a local district that operates under and is subject to the
580 provisions of this chapter and Chapter 2a, Part 9, Service Area Act, including an entity that was
581 created and operated as a county service area or a regional service area under the law in effect
582 before April 30, 2007.

583 [~~(29)~~] (28) "Short-term bond" means a bond that is required to be repaid during the

584 fiscal year in which the bond is issued.

585 ~~[(30)]~~ (29) "Special assessment" means an assessment levied against property to pay all
586 or a portion of the costs of making improvements that benefit the property.

587 ~~[(31)]~~ (30) "Special assessment bond" means a bond payable from special assessments.

588 ~~[(32)]~~ (31) "Specialized local district" means a local district that is a cemetery
589 maintenance district, a drainage district, a fire protection district, an improvement district, an
590 irrigation district, a metropolitan water district, a mosquito abatement district, a public transit
591 district, a service area, a water conservancy district, a municipal services district, or a public
592 infrastructure district.

593 ~~[(33)]~~ (32) "Taxable value" means the taxable value of property as computed from the
594 most recent equalized assessment roll for county purposes.

595 ~~[(34)]~~ (33) "Tax and revenue anticipation bond" means a bond:

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

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

600 ~~[(35)]~~ (34) "Unincorporated" means not included within a municipality.

601 ~~[(36)]~~ (35) "Water conservancy district" means a local district that operates under and
602 is subject to the provisions of this chapter and Chapter 2a, Part 10, Water Conservancy District
603 Act, including an entity that was created and operated as a water conservancy district under the
604 law in effect before April 30, 2007.

605 ~~[(37)]~~ (36) "Works" includes a dam, reservoir, well, canal, conduit, pipeline, drain,
606 tunnel, power plant, and any facility, improvement, or property necessary or convenient for
607 supplying or treating water for any beneficial use, and for otherwise accomplishing the
608 purposes of a local district.

609 Section 6. Section **17B-1-1102** is amended to read:

610 **17B-1-1102. General obligation bonds.**

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

615 (2) General obligation bonds shall be secured by a pledge of the full faith and credit of
 616 the district, subject to~~[(a)]~~, for a water conservancy district, the property tax levy limits of
 617 Section 17B-2a-1006~~]; and~~.

618 ~~[(b) for a limited tax bond as defined in Section 17B-2a-1202 that a public
 619 infrastructure district issues, the property tax levy limits of Section 17B-2a-1209.]~~

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

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

- 627 (i) .05, for a basic local district;
- 628 (ii) .004, for a cemetery maintenance district;
- 629 (iii) .002, for a drainage district;
- 630 (iv) .004, for a fire protection district;
- 631 (v) .024, for an improvement district;
- 632 (vi) .1, for an irrigation district;
- 633 (vii) .1, for a metropolitan water district;
- 634 (viii) .0004, for a mosquito abatement district;
- 635 (ix) .03, for a public transit district;
- 636 (x) .12, for a service area; or
- 637 (xi) .05 for a municipal services district~~]; or~~.

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

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

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

644 (6) Bonds issued by an administrative or legal entity created under Title 11, Chapter
 645 13, Interlocal Cooperation Act, may not be considered to be bonds of a local district that

646 participates in the agreement creating the administrative or legal entity.

647 Section 7. Section **17D-4-101**, which is renumbered from Section 17B-2a-1201 is
648 renumbered and amended to read:

649 **CHAPTER 4. PUBLIC INFRASTRUCTURE DISTRICT ACT**

650 **Part 1. General Provisions**

651 ~~[17B-2a-1201]~~. **17D-4-101. Title.**

652 This ~~[part]~~ chapter is known as the "Public Infrastructure District Act."

653 Section 8. Section **17D-4-102**, which is renumbered from Section 17B-2a-1202 is
654 renumbered and amended to read:

655 ~~[17B-2a-1202]~~. **17D-4-102. Definitions.**

656 As used in this ~~[part]~~ chapter:

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

658 (2) "Creating entity" means the county, municipality, or development authority that
659 approves the creation of ~~[the]~~ a public infrastructure district.

660 (3) "Development authority" means the military installation development authority
661 created in Section [63H-1-201](#).

662 (4) "District applicant" means the person proposing the creation of ~~[the]~~ a public
663 infrastructure district.

664 (5) "Division" means a division of a public infrastructure district:

665 (a) that is relatively equal in number of eligible voters or potential eligible voters to all
666 other divisions within the public infrastructure district, taking into account existing or potential
667 developments which, when completed, would increase or decrease the population within the
668 public infrastructure district; and

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

670 (6) "Governing document" means the document governing ~~[the]~~ a public infrastructure
671 district to which the creating entity agrees before the creation of the public infrastructure
672 district, as amended from time to time, and subject to the limitations of Title 17B, Chapter 1,
673 Provisions Applicable to All Local Districts, and this ~~[part]~~ chapter.

674 (7) (a) "Limited tax bond" means a bond:

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

677 (A) by ~~the~~ a public infrastructure district that issues the bond; and
 678 (B) on taxable property within the district;
 679 (ii) that is a general obligation of the public infrastructure district; and
 680 (iii) for which the ad valorem property tax levy for repayment of the bond does not
 681 exceed the property tax levy rate limit established under Section ~~[17B-2a-1209]~~ 17D-4-303 for
 682 any fiscal year, except as provided in Subsection ~~[17B-2a-1207(8)]~~ 17D-4-301(8).

683 (b) "Limited tax bond" does not include:
 684 (i) a short-term bond;
 685 (ii) a tax and revenue anticipation bond; or
 686 (iii) a special assessment bond.

687 Section 9. Section **17D-4-103**, which is renumbered from Section 17B-2a-1203 is
 688 renumbered and amended to read:

689 ~~[17B-2a-1203]~~. **17D-4-103. Provisions applicable to public infrastructure**
 690 **districts.**

691 (1) Each public infrastructure district is governed by and has the powers stated in:
 692 (a) this ~~[part]~~ chapter; and
 693 (b) Title 17B, Chapter 1, Provisions Applicable to All Local Districts.
 694 (2) This ~~[part]~~ chapter applies only to a public infrastructure district.

695 ~~[(3) A public infrastructure district is not subject to the provisions of any other part of~~
 696 ~~this chapter.]~~

697 ~~[(4)]~~ (3) If there is a conflict between a provision in Title 17B, Chapter 1, Provisions
 698 Applicable to All Local Districts, and a provision in this ~~[part]~~ chapter, the provision in this
 699 ~~[part governs]~~ chapter supersedes the conflicting provision in Title 17B, Chapter 1, Provisions
 700 Applicable to All Local Districts.

701 Section 10. Section **17D-4-201**, which is renumbered from Section 17B-2a-1204 is
 702 renumbered and amended to read:

703 **Part 2. Creation, Governance, and Powers of a Public Infrastructure District**
 704 ~~[17B-2a-1204]~~. **17D-4-201. Creation -- Annexation or withdrawal of**
 705 **property.**

706 (1) (a) Except as provided in Subsection (1)(b), Subsection (2), and in addition to the
 707 provisions regarding creation of a local district in Title 17B, Chapter 1, Provisions Applicable

708 to All Local Districts, a public infrastructure district may not be created unless:

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

712 (ii) a petition is filed with the creating entity that contains the signatures of 100% of
713 surface property owners within the applicable area consenting to the creation of the public
714 infrastructure district.

715 (b) Notwithstanding Title 17B, Chapter 1, Part 2, Creation of a Local District, and any
716 other provision of this [part] chapter, the development authority may adopt a resolution
717 creating a public infrastructure district as a subsidiary of the development authority if all
718 owners of surface property proposed to be included within the public infrastructure district
719 consent in writing to the creation of the public infrastructure district.

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

721 (i) Section [17B-1-203](#);

722 (ii) Section [17B-1-204](#);

723 (iii) Subsection [17B-1-208\(2\)](#);

724 (iv) Section [17B-1-212](#); or

725 (v) Section [17B-1-214](#).

726 (b) The protest period described in Section [17B-1-213](#) may be waived in whole or in
727 part with the consent of:

728 (i) 100% of registered voters within the applicable area approving the creation of the
729 public infrastructure district; and

730 (ii) 100% of the surface property owners within the applicable area approving the
731 creation of the public infrastructure district.

732 (c) If the protest period is waived under Subsection (2)(b), a resolution approving the
733 creation of the public infrastructure district may be adopted in accordance with Subsection
734 [17B-1-213\(5\)](#).

735 (d) A petition meeting the requirements of Subsection (1):

736 (i) may be certified under Section [17B-1-209](#); and

737 (ii) shall be filed with the lieutenant governor in accordance with Subsection
738 [17B-1-215\(1\)\(b\)\(iii\)](#).

739 (3) (a) Notwithstanding Title 17B, Chapter 1, Part 4, Annexation, an area outside of the
740 boundaries of a public infrastructure district may be annexed into the public infrastructure
741 district after:

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

744 (B) adoption of a governing document that authorizes the board to annex an area
745 outside of the boundaries of the public infrastructure district without the consent of the creating
746 entity;

747 (ii) if there are any registered voters within the area proposed to be annexed, a petition
748 is filed with the creating entity that contains the signatures of 100% of registered voters within
749 the area [~~and approves of~~], demonstrating that the registered voters approve of the annexation
750 into the public infrastructure district; and

751 (iii) a petition is filed with the creating entity that contains the signatures of 100% of
752 surface property owners within the area proposed to be annexed [~~and consents~~], demonstrating
753 the surface property owners consent to the annexation into the public infrastructure district.

754 (b) Upon meeting the requirements of Subsection (3)(a), the board shall comply with
755 the resolution and filing requirements of Subsections [17B-1-414](#)(1) and (2).

756 (4) (a) Notwithstanding Title 17B, Chapter 1, Part 5, Withdrawal, property may be
757 withdrawn from a public infrastructure district after:

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

760 (B) adoption of a governing document that authorizes the board to withdraw property
761 from the public infrastructure district without the consent of the creating entity;

762 (ii) if there are any registered voters within the area proposed to be withdrawn, a
763 petition is filed with the creating entity that contains the signatures of 100% of registered voters
764 within the area [~~and approves~~], demonstrating that the registered voters approve of the
765 withdrawal from the public infrastructure district; and

766 (iii) a petition is filed with the creating entity that contains the signatures of 100% of
767 surface property owners within the area proposed to be withdrawn [~~and consents~~],
768 demonstrating that the surface property owners consent to the withdrawal from the public
769 infrastructure district.

770 (b) If any bonds that the public infrastructure district issues are allocable to the area to
771 be withdrawn remain unpaid at the time of the proposed withdrawal, the property remains
772 subject to any taxes, fees, or assessments that the public infrastructure district imposes until the
773 bonds or any associated refunding bonds are paid.

774 (c) Upon meeting the requirements of Subsections (4)(a) and (b), the board shall
775 comply with the requirements of Section 17B-1-512.

776 (5) ~~[The]~~ A creating entity may impose limitations on the powers of ~~[the]~~ a public
777 infrastructure district through the governing document.

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

779 (b) (i) Except as provided in Subsection (6)(b)(ii), any financial burden of a public
780 infrastructure district:

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

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

784 (ii) Notwithstanding Subsection (6)(b)(i) and Section 17B-1-216, the governing
785 document may require:

786 (A) the district applicant to bear the initial costs of the public infrastructure district;
787 and

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

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

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

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

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

797 (B) The creating entity does not bear the responsibility described in Subsection
798 (6)(d)(i)(A).

799 (ii) A public infrastructure district, and not the creating entity, shall undertake the
800 enforcement responsibility described in, as applicable, Subsection (6)(d)(i) in accordance with

801 Title 59, Chapter 2, Property Tax Act, or Title 11, Chapter 42, Assessment Area Act.

802 (7) ~~[The]~~ A creating entity may establish criteria in determining whether to approve or
803 disapprove of the creation of a public infrastructure district, including:

- 804 (a) historical performance of the district applicant;
- 805 (b) compliance with the creating entity's master plan;
- 806 (c) credit worthiness of the district applicant;
- 807 (d) plan of finance of the public infrastructure district; and
- 808 (e) proposed development within the public infrastructure district.

809 (8) (a) The creation of a public infrastructure district is subject to the sole discretion of
810 the creating entity responsible for approving or rejecting the creation of the public
811 infrastructure district.

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

814 Section 11. Section **17D-4-202**, which is renumbered from Section 17B-2a-1205 is
815 renumbered and amended to read:

816 ~~[17B-2a-1205]~~. **17D-4-202. Public infrastructure district board -- Governing**
817 **document.**

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

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

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

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

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

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

829 (i) all of the surface property owners consent to the waiver of the residency
830 requirement;

831 (ii) there are no residents within the boundaries of the public infrastructure district;

832 (iii) no qualified candidate timely files to be considered for appointment to the board;
833 or

834 (iv) no qualified individual files a declaration of candidacy for a board position in
835 accordance with Subsection 17B-1-306(4).

836 (b) Except under the circumstances described in Subsection (3)(a)(iii) or (iv), the
837 residency requirement in Subsection 17B-1-302(1)(b) is applicable to any board member
838 elected for a division or board position that has transitioned from an appointed to an elected
839 board member in accordance with this section.

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

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

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

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

849 (i) for a division, the registered voters of the division elect a member of the board in
850 place of an appointed member at the next municipal general election for the board position; or

851 (ii) for an at large board position established in the governing document, the registered
852 voters of the public infrastructure district elect a member of the board in place of an appointed
853 member at the next municipal general election for the board position.

854 (b) Regardless of whether a board member is elected under Subsection (4)(a), the
855 position of each remaining board member shall continue to be appointed under Subsection (1)
856 until the member's respective division or board position surpasses the density milestone
857 described in the governing document.

858 (5) (a) Subject to Subsection (5)(c), the board may, in the board's discretion but no
859 more frequently than every four years, reestablish the boundaries of each division so that each
860 division that has reached a milestone specified in the governing document, as described in
861 Subsection (4)(a), has, as nearly as possible, the same number of eligible voters.

862 (b) In reestablishing division boundaries under Subsection (5)(a), the board shall

863 consider existing or potential developments within the divisions [~~which~~] that, when completed,
864 would increase or decrease the number of eligible voters within the division.

865 (c) The governing document may prohibit the board from reestablishing, without the
866 consent of the creating entity, the division boundaries as described in Subsection (5)(a).

867 (6) [~~The~~] A public infrastructure district may not compensate a board member for the
868 member's service on the board under Section 17B-1-307 unless the board member is a resident
869 within the boundaries of the public infrastructure district.

870 (7) [~~The~~] A governing document shall:

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

872 (b) state the number of board members;

873 (c) describe any divisions of the public infrastructure district;

874 (d) establish any applicable property tax levy rate limit for the public infrastructure
875 district;

876 (e) establish any applicable limitation on the principal amount of indebtedness for the
877 public infrastructure district; and

878 (f) include other information that the public infrastructure district or the creating entity
879 determines to be necessary or advisable.

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

883 (b) Notwithstanding Subsection (8)(a), any amendment to a property tax levy rate
884 limitation requires the consent of:

885 (i) 100% of surface property owners within the boundaries of the public infrastructure
886 district; and

887 (ii) 100% of the registered voters, if any, within the boundaries of the public
888 infrastructure district.

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

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

892 (i) before any appointment or election; and

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

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

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

899 Section 12. Section **17D-4-203**, which is renumbered from Section 17B-2a-1206 is
900 renumbered and amended to read:

901 ~~[17B-2a-1206]~~. **17D-4-203. Public infrastructure district powers.**

902 In addition to the powers conferred on a public infrastructure district under Section
903 [17B-1-103](#), a public infrastructure district may:

904 (1) issue negotiable bonds to pay:

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

907 (b) capital costs of improvements in an energy assessment area, as defined in Section
908 [11-42a-102](#), and other related costs, against the funds that the public infrastructure district will
909 receive because of an assessment in an energy assessment area, as defined in Section
910 [11-42a-102](#);

911 (c) public improvements related to the provision of housing;

912 (d) capital costs related to public transportation; and

913 (e) for a public infrastructure district created by the development authority, the cost of
914 acquiring or financing publicly owned infrastructure and improvements;

915 (2) enter into an interlocal agreement in accordance with Title 11, Chapter 13,
916 Interlocal Cooperation Act, provided that the interlocal agreement may not expand the powers
917 of the public infrastructure district, within the limitations of Title 11, Chapter 13, Interlocal
918 Cooperation Act, without the consent of the creating entity;

919 (3) acquire completed or partially completed improvements for fair market value as
920 reasonably determined by:

921 (a) the board;

922 (b) the creating entity, if required in the governing document; or

923 (c) a surveyor or engineer that a public infrastructure district employs or engages to
924 perform the necessary engineering services for and to supervise the construction or installation

925 of the improvements;

926 (4) contract with the creating entity for the creating entity to provide administrative
927 services on behalf of the public infrastructure district, when agreed to by both parties, in order
928 to achieve cost savings and economic efficiencies, at the discretion of the creating entity; and

929 (5) for a public infrastructure district created by a development authority:

930 (a) (i) operate and maintain publicly owned infrastructure and improvements the
931 district acquires or finances; and

932 (ii) use fees, assessments, or taxes to pay for the operation and maintenance of those
933 publicly owned infrastructure and improvements; and

934 (b) issue bonds under Title 11, Chapter 42, Assessment Area Act.

935 Section 13. Section **17D-4-204**, which is renumbered from Section 17B-2a-1211 is
936 renumbered and amended to read:

937 ~~[17B-2a-1211]~~. **17D-4-204. Relation to other local entities.**

938 (1) Notwithstanding ~~[the]~~ a creation of the public infrastructure district, the creating
939 entity and any other public entity, as applicable, retains all of the entity's authority over all
940 zoning, planning, design specifications and approvals, and permitting within the public
941 infrastructure district.

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

944 (3) (a) All infrastructure that is connected to another public entity's system:

945 (i) belongs to that public entity, regardless of inclusion within the boundaries of a
946 public infrastructure district, unless the public infrastructure district and the public entity
947 otherwise agree; and

948 (ii) shall comply with the design, inspection requirements, and other standards of the
949 public entity.

950 (b) ~~[The]~~ A public infrastructure district shall convey or transfer the infrastructure
951 described in Subsection (3)(a) free of liens or financial encumbrances to the public entity at no
952 cost to the public entity.

953 Section 14. Section **17D-4-205**, which is renumbered from Section 17B-2a-1212 is
954 renumbered and amended to read:

955 ~~[17B-2a-1212]~~. **17D-4-205. Transparency.**

956 A public infrastructure district shall file annual reports with the creating entity
957 regarding the public infrastructure district's actions as provided in the governing document.

958 Section 15. Section **17D-4-301**, which is renumbered from Section 17B-2a-1207 is
959 renumbered and amended to read:

960 **Part 3. Bond Issuance, Fee Collection, and Property Tax Levy Authority for a**
961 **Public Infrastructure District**

962 [~~17B-2a-1207~~]. **17D-4-301. Public infrastructure district bonds.**

963 (1) A public infrastructure district may issue negotiable bonds for the purposes
964 described in Section [~~17B-2a-1206~~] 17D-4-203, as provided in, as applicable:

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

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

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

968 (d) this section.

969 (2) A public infrastructure district bond:

970 (a) shall mature within 40 years of the date of issuance; and

971 (b) may not be secured by any improvement or facility paid for by the public
972 infrastructure district.

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

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

978 (ii) upon approval of a majority of the registered voters within the boundaries of the
979 public infrastructure district voting in an election held for that purpose under Title 11, Chapter
980 14, Local Government Bonding Act.

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

982 (i) is not subject to the limitation on a general obligation bond described in Subsection
983 17B-1-1102(4)(a)(xii); and

984 (ii) is subject to a limitation, if any, on the principal amount of indebtedness as
985 described in the governing document.

986 (c) Unless limited tax bonds are initially purchased exclusively by one or more

987 qualified institutional buyers as defined in Rule 144A, 17 C.F.R. Sec. 230.144A, the public
988 infrastructure district may only issue limited tax bonds in denominations of not less than
989 \$500,000, and in integral multiples above \$500,000 of not less than \$1,000 each.

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

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

998 (B) the most recent market value of the property from the assessor of the county in
999 which the property is located.

1000 (ii) The consent to the issuance of a limited tax bond described in Subsection (3)(a) is
1001 sufficient to meet any statutory or constitutional election requirement necessary for the
1002 issuance of the limited tax bond and any general obligation bond to be issued in place of the
1003 limited tax bond upon meeting the requirements of this Subsection (3)(d).

1004 (iii) A general obligation bond resulting from a conversion of a limited tax bond under
1005 this Subsection (3)(d) is not subject to the limitation on general obligation bonds described in
1006 Subsection [17B-1-1102\(4\)\(a\)\(xii\)](#).

1007 (e) A public infrastructure district that levies a property tax for payment of debt service
1008 on a limited tax bond issued under this section is not required to comply with the notice and
1009 hearing requirements of Section [59-2-919](#) unless the rate exceeds the rate established in:

1010 (i) Section [~~[17B-2a-1209](#)~~] [17D-4-303](#), except as provided in Subsection (8);

1011 (ii) the governing document; or

1012 (iii) the documents relating to the issuance of the limited tax bond.

1013 (4) There is no limitation on the duration of revenues that a public infrastructure
1014 district may receive to cover any shortfall in the payment of principal of and interest on a bond
1015 that the public infrastructure district issues.

1016 (5) A public infrastructure district is not a municipal corporation for purposes of the
1017 debt limitation of Utah Constitution, Article XIV, Section 4.

1018 (6) The board may, by resolution, delegate to one or more officers of the public
1019 infrastructure district the authority to:

1020 (a) in accordance and within the parameters set forth in a resolution adopted in
1021 accordance with Section 11-14-302, approve the final interest rate, price, principal amount,
1022 maturity, redemption features, and other terms of the bond;

1023 (b) approve and execute any document relating to the issuance of a bond; and

1024 (c) approve any contract related to the acquisition and construction of the
1025 improvements, facilities, or property to be financed with a bond.

1026 (7) (a) Any person may contest the legality of the issuance of a public infrastructure
1027 district bond or any provisions for the security and payment of the bond for a period of 30 days
1028 after:

1029 (i) publication of the resolution authorizing the bond; or

1030 (ii) publication of a notice of bond containing substantially the items required under
1031 Subsection 11-14-316(2).

1032 (b) After the 30-day period described in Subsection (7)(a), no person may bring a
1033 lawsuit or other proceeding contesting the regularity, formality, or legality of the bond for any
1034 reason.

1035 (8) (a) In the event of any statutory change in the methodology of assessment or
1036 collection of property taxes in a manner that reduces the amounts which are devoted or pledged
1037 to the repayment of limited tax bonds, a public infrastructure district may charge a rate
1038 sufficient to receive the amount of property taxes or assessment the public infrastructure
1039 district would have received before the statutory change in order to pay the debt service on
1040 outstanding limited tax bonds.

1041 (b) The rate increase described in Subsection (8)(a) may exceed the limit described in
1042 Section 17B-2a-1209.

1043 (c) The public infrastructure district may charge the rate increase described in
1044 Subsection (8)(a) until the bonds, including any associated refunding bonds, or other securities,
1045 together with applicable interest, are fully met and discharged.

1046 Section 16. Section 17D-4-302, which is renumbered from Section 17B-2a-1208 is
1047 renumbered and amended to read:

1048 ~~17B-2a-1208~~. 17D-4-302. Fees.

1049 A public infrastructure district may charge a fee or other charge for an administrative
1050 service that the public infrastructure district provides, to pay some or all of the public
1051 infrastructure district's:

1052 (1) costs of acquiring, improving, or extending improvements, facilities, or property; or

1053 (2) costs associated with the enforcement of a legal remedy.

1054 Section 17. Section **17D-4-303**, which is renumbered from Section 17B-2a-1209 is
1055 renumbered and amended to read:

1056 ~~[17B-2a-1209]~~. **17D-4-303. Limits on public infrastructure district property**
1057 **tax levy -- Notice requirements.**

1058 (1) The property tax levy of a public infrastructure district, for all purposes, including
1059 payment of debt service on limited tax bonds, may not exceed .015 per dollar of taxable value
1060 of taxable property in the district.

1061 (2) The limitation described in Subsection (1) does not apply to the levy by the public
1062 infrastructure district to pay principal of and interest on a general obligation bond that the
1063 public infrastructure district issues.

1064 (3) (a) Within 30 days after the day on which the creating entity adopts the resolution
1065 creating the public infrastructure district, the board shall record a notice with the recorder of
1066 the county in which property within the public infrastructure district is located.

1067 (b) The notice described in Subsection (3)(a) shall:

1068 (i) contain a description of the boundaries of the public infrastructure district;

1069 (ii) state that a copy of the governing document is on file at the office of the creating
1070 entity;

1071 (iii) state that the public infrastructure district may finance and repay infrastructure and
1072 other improvements through the levy of a property tax; and

1073 (iv) state the maximum rate that the public infrastructure district may levy.

1074 Section 18. Section **17D-4-304**, which is renumbered from Section 17B-2a-1210 is
1075 renumbered and amended to read:

1076 ~~[17B-2a-1210]~~. **17D-4-304. Property tax penalty for nonpayment.**

1077 In the event of nonpayment of any tax, fee, or charge that a public infrastructure district
1078 imposes, the public infrastructure district may impose a property tax penalty at an annual rate
1079 of .07, in addition to any other lawful penalty for nonpayment of property tax.

1080 Section 19. Section **17D-4-305**, which is renumbered from Section 17B-2a-1213 is
1081 renumbered and amended to read:

1082 ~~[17B-2a-1213]~~. **17D-4-305. Action to contest tax, fee, or proceeding --**
1083 **Requirements -- Exclusive remedy -- Bonds, taxes, and fees incontestable.**

1084 (1) A person who contests a tax or fee or any proceeding to create a public
1085 infrastructure district, levy a tax, or impose a fee may bring a civil action against the public
1086 infrastructure district or the creating entity to:

- 1087 (a) set aside the proceeding; or
- 1088 (b) enjoin the levy, imposition, or collection of a tax or fee.

1089 (2) The person bringing an action described in Subsection (1):

1090 (a) shall bring the action in the district court with jurisdiction in the county in which
1091 the public infrastructure district is located; and

1092 (b) may not bring the action against or serve a summons relating to the action on the
1093 public infrastructure district more than 30 days after the effective date of the:

1094 (i) creation of the public infrastructure district, if the challenge is to the creation of the
1095 public infrastructure district; or

1096 (ii) tax or fee, if the challenge is to a tax or fee.

1097 (3) An action under Subsection (1) is the exclusive remedy of a person who:

1098 (a) claims an error or irregularity in a tax or fee or in any proceeding to create a public
1099 infrastructure district, levy a tax, or impose a fee; or

1100 (b) challenges a bondholder's right to repayment.

1101 (4) After the expiration of the 30-day period described in Subsection (2)(b):

1102 (a) a bond issued or to be issued with respect to a public infrastructure district and any
1103 tax levied or fee imposed becomes incontestable against any person who has not brought an

1104 action and served a summons in accordance with this section;

1105 (b) a person may not bring a suit to:

1106 (i) enjoin the issuance or payment of a bond or the levy, imposition, collection, or
1107 enforcement of a tax or fee; or

1108 (ii) attack or question in any way the legality of a bond, tax, or fee; and

1109 (c) a court may not inquire into the matters described in Subsection (4)(b).

1110 (5) (a) This section does not insulate a public infrastructure district from a claim of

1111 misuse of funds after the expiration of the 30-day period described in Subsection (2)(b).

1112 (b) (i) Except as provided in Subsection (5)(b)(ii), an action in the nature of mandamus
1113 is the sole form of relief available to a party challenging the misuse of funds.

1114 (ii) The limitation in Subsection (5)(b)(i) does not prohibit the filing of criminal
1115 charges against or the prosecution of a party for the misuse of funds.

1116 Section 20. Section **59-2-1317** is amended to read:

1117 **59-2-1317. Tax notice -- Contents of notice -- Procedures and requirements for**
1118 **providing notice.**

1119 (1) As used in this section, "political subdivision lien" means the same as that term is
1120 defined in Section [11-60-102](#).

1121 (2) Subject to the other provisions of this section, the county treasurer shall:

1122 (a) collect the taxes and tax notice charges; and

1123 (b) provide a notice to each taxpayer that contains the following:

1124 (i) the kind and value of property assessed to the taxpayer;

1125 (ii) the street address of the property, if available to the county;

1126 (iii) that the property may be subject to a detailed review in the next year under Section
1127 [59-2-303.1](#);

1128 (iv) the amount of taxes levied;

1129 (v) a separate statement of the taxes levied only on a certain kind or class of property
1130 for a special purpose;

1131 (vi) property tax information pertaining to taxpayer relief, options for payment of
1132 taxes, and collection procedures;

1133 (vii) any tax notice charges applicable to the property, including:

1134 (A) if applicable, a political subdivision lien for road damage that a railroad company
1135 causes, as described in Section [10-7-30](#);

1136 (B) if applicable, a political subdivision lien for municipal water distribution, as
1137 described in Section [10-8-17](#), or a political subdivision lien for an increase in supply from a
1138 municipal water distribution, as described in Section [10-8-19](#);

1139 (C) if applicable, a political subdivision lien for unpaid abatement fees as described in
1140 Section [10-11-4](#);

1141 (D) if applicable, a political subdivision lien for the unpaid portion of an assessment

1142 assessed in accordance with Title 11, Chapter 42, Assessment Area Act, or Title 11, Chapter
1143 42a, Commercial Property Assessed Clean Energy Act, including unpaid costs, charges, and
1144 interest as of the date the local entity certifies the unpaid amount to the county treasurer;

1145 (E) if applicable, for a local district in accordance with Section [17B-1-902](#), a political
1146 subdivision lien for an unpaid fee, administrative cost, or interest;

1147 (F) if applicable, a political subdivision lien for an unpaid irrigation district use charge
1148 as described in Section [17B-2a-506](#);

1149 (G) if applicable, a political subdivision lien for a contract assessment under a water
1150 contract, as described in Section [17B-2a-1007](#); and

1151 (H) if applicable, a property tax penalty that a public infrastructure district imposes, as
1152 described in Section [~~17B-2a-1210~~] [17D-4-304](#);

1153 (viii) if a county's tax notice includes an assessment area charge, a statement that, due
1154 to potentially ongoing assessment area charges, costs, penalties, and interest, payment of a tax
1155 notice charge may not:

1156 (A) pay off the full amount the property owner owes to the tax notice entity; or

1157 (B) cause a release of the lien underlying the tax notice charge;

1158 (ix) the date the taxes and tax notice charges are due;

1159 (x) the street address at which the taxes and tax notice charges may be paid;

1160 (xi) the date on which the taxes and tax notice charges are delinquent;

1161 (xii) the penalty imposed on delinquent taxes and tax notice charges;

1162 (xiii) a statement that explains the taxpayer's right to direct allocation of a partial
1163 payment in accordance with Subsection (9);

1164 (xiv) other information specifically authorized to be included on the notice under this
1165 chapter; and

1166 (xv) other property tax information approved by the commission.

1167 (3) (a) Unless expressly allowed under this section or another statutory provision, the
1168 treasurer may not add an amount to be collected to the property tax notice.

1169 (b) If the county treasurer adds an amount to be collected to the property tax notice
1170 under this section or another statutory provision that expressly authorizes the item's inclusion
1171 on the property tax notice:

1172 (i) the amount constitutes a tax notice charge; and

- 1173 (ii) (A) the tax notice charge has the same priority as property tax; and
1174 (B) a delinquency of the tax notice charge triggers a tax sale, in accordance with
1175 Section 59-2-1343.
- 1176 (4) For any property for which property taxes or tax notice charges are delinquent, the
1177 notice described in Subsection (2) shall state, "Prior taxes or tax notice charges are delinquent
1178 on this parcel."
- 1179 (5) Except as provided in Subsection (6), the county treasurer shall:
- 1180 (a) mail the notice required by this section, postage prepaid; or
1181 (b) leave the notice required by this section at the taxpayer's residence or usual place of
1182 business, if known.
- 1183 (6) (a) Subject to the other provisions of this Subsection (6), a county treasurer may, at
1184 the county treasurer's discretion, provide the notice required by this section by electronic mail if
1185 a taxpayer makes an election, according to procedures determined by the county treasurer, to
1186 receive the notice by electronic mail.
- 1187 (b) A taxpayer may revoke an election to receive the notice required by this section by
1188 electronic mail if the taxpayer provides written notice to the treasurer on or before October 1.
- 1189 (c) A revocation of an election under this section does not relieve a taxpayer of the
1190 duty to pay a tax or tax notice charge due under this chapter on or before the due date for
1191 paying the tax or tax notice charge.
- 1192 (d) A county treasurer shall provide the notice required by this section using a method
1193 described in Subsection (5), until a taxpayer makes a new election in accordance with this
1194 Subsection (6), if:
- 1195 (i) the taxpayer revokes an election in accordance with Subsection (6)(b) to receive the
1196 notice required by this section by electronic mail; or
1197 (ii) the county treasurer finds that the taxpayer's electronic mail address is invalid.
- 1198 (e) A person is considered to be a taxpayer for purposes of this Subsection (6)
1199 regardless of whether the property that is the subject of the notice required by this section is
1200 exempt from taxation.
- 1201 (7) (a) The county treasurer shall provide the notice required by this section to a
1202 taxpayer on or before November 1.
- 1203 (b) The county treasurer shall keep on file in the county treasurer's office the

1204 information set forth in the notice.

1205 (c) The county treasurer is not required to mail a tax receipt acknowledging payment.

1206 (8) This section does not apply to property taxed under Section 59-2-1302 or
1207 59-2-1307.

1208 (9) (a) A taxpayer who pays less than the full amount due on the taxpayer's property tax
1209 notice may, on a form provided by the county treasurer, direct how the county treasurer
1210 allocates the partial payment between:

1211 (i) the total amount due for property tax;

1212 (ii) the amount due for assessments, past due local district fees, and other tax notice
1213 charges; and

1214 (iii) any other amounts due on the property tax notice.

1215 (b) The county treasurer shall comply with a direction submitted to the county treasurer
1216 in accordance with Subsection (9)(a).

1217 (c) The provisions of this Subsection (9) do not:

1218 (i) affect the right or ability of a local entity to pursue any available remedy for
1219 non-payment of any item listed on a taxpayer's property tax notice; or

1220 (ii) toll or otherwise change any time period related to a remedy described in
1221 Subsection (9)(c)(i).

1222 Section 21. Section 63H-1-102 is amended to read:

1223 **63H-1-102. Definitions.**

1224 As used in this chapter:

1225 (1) "Authority" means the Military Installation Development Authority, created under
1226 Section 63H-1-201.

1227 (2) "Base taxable value" means:

1228 (a) for military land or other land that was exempt from a property tax at the time that a
1229 project area was created that included the military land or other land, a taxable value of zero; or

1230 (b) for private property that is included in a project area, the taxable value of the
1231 property within any portion of the project area, as designated by board resolution, from which
1232 the property tax allocation will be collected, as shown upon the assessment roll last equalized:

1233 (i) before the year in which the authority creates the project area; or

1234 (ii) before the year in which the project area plan is amended, for property added to a

1235 project area by an amendment to a project area plan.

1236 (3) "Board" means the governing body of the authority created under Section
1237 63H-1-301.

1238 (4) (a) "Dedicated tax collections" means the property tax that remains after the
1239 authority is paid the property tax allocation the authority is entitled to receive under Subsection
1240 63H-1-501(1), for a property tax levied by:

1241 (i) a county, including a district the county has established under Subsection 17-34-3(2)
1242 to levy a property tax under Title 17, Chapter 34, Municipal-Type Services to Unincorporated
1243 Areas; or

1244 (ii) an included municipality.

1245 (b) "Dedicated tax collections" does not include a county additional property tax or
1246 multicounty assessing and collecting levy imposed in accordance with Section 59-2-1602.

1247 (5) (a) "Development" means an activity occurring:

1248 (i) on land within a project area that is owned or operated by the military, the authority,
1249 another public entity, or a private entity; or

1250 (ii) on military land associated with a project area.

1251 (b) "Development" includes the demolition, construction, reconstruction, modification,
1252 expansion, or improvement of a building, facility, utility, landscape, parking lot, park, trail, or
1253 recreational amenity.

1254 (6) "Development project" means a project to develop land within a project area.

1255 (7) "Elected member" means a member of the authority board who:

1256 (a) is a mayor or member of a legislative body appointed under Subsection
1257 63H-1-302(2)(b); or

1258 (b) (i) is appointed to the authority board under Subsection 63H-1-302(2)(a) or (3); and

1259 (ii) concurrently serves in an elected state, county, or municipal office.

1260 (8) "Included municipality" means a municipality, some or all of which is included
1261 within a project area.

1262 (9) (a) "Military" means a branch of the armed forces of the United States, including
1263 the Utah National Guard.

1264 (b) "Military" includes, in relation to property, property that is occupied by the military
1265 and is owned by the government of the United States or the state.

1266 (10) "Military Installation Development Authority accommodations tax" or "MIDA
1267 accommodations tax" means the tax imposed under Section 63H-1-205.

1268 (11) "Military Installation Development Authority energy tax" or "MIDA energy tax"
1269 means the tax levied under Section 63H-1-204.

1270 (12) "Military land" means land or a facility, including leased land or a leased facility,
1271 that is part of or affiliated with a base, camp, post, station, yard, center, or installation under the
1272 jurisdiction of the United States Department of Defense, the United States Department of
1273 Veterans Affairs, or the Utah National Guard.

1274 (13) "Municipal energy tax" means a municipal energy sales and use tax under Title
1275 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act.

1276 (14) "Municipal services revenue" means revenue that the authority:

1277 (a) collects from the authority's:

1278 (i) levy of a municipal energy tax;

1279 (ii) levy of a MIDA energy tax;

1280 (iii) levy of a telecommunications tax;

1281 (iv) imposition of a transient room tax; and

1282 (v) imposition of a resort communities tax;

1283 (b) receives under Subsection 59-12-205(2)(b)(ii); and

1284 (c) receives as dedicated tax collections.

1285 (15) "Municipal tax" means a municipal energy tax, MIDA energy tax, MIDA
1286 accommodations tax, telecommunications tax, transient room tax, or resort communities tax.

1287 (16) "Project area" means the land, including military land, whether consisting of a
1288 single contiguous area or multiple noncontiguous areas, described in a project area plan or draft
1289 project area plan, where the development project set forth in the project area plan or draft
1290 project area plan takes place or is proposed to take place.

1291 (17) "Project area budget" means a multiyear projection of annual or cumulative
1292 revenues and expenses and other fiscal matters pertaining to a project area that includes:

1293 (a) the base taxable value of property in the project area;

1294 (b) the projected property tax allocation expected to be generated within the project
1295 area;

1296 (c) the amount of the property tax allocation expected to be shared with other taxing

1297 entities;

1298 (d) the amount of the property tax allocation expected to be used to implement the
1299 project area plan, including the estimated amount of the property tax allocation to be used for
1300 land acquisition, public improvements, infrastructure improvements, and loans, grants, or other
1301 incentives to private and public entities;

1302 (e) the property tax allocation expected to be used to cover the cost of administering
1303 the project area plan;

1304 (f) if the property tax allocation is to be collected at different times or from different
1305 portions of the project area, or both:

1306 (i) (A) the tax identification numbers of the parcels from which the property tax
1307 allocation will be collected; or

1308 (B) a legal description of the portion of the project area from which the property tax
1309 allocation will be collected; and

1310 (ii) an estimate of when other portions of the project area will become subject to
1311 collection of the property tax allocation; and

1312 (g) for property that the authority owns or leases and expects to sell or sublease, the
1313 expected total cost of the property to the authority and the expected selling price or lease
1314 payments.

1315 (18) "Project area plan" means a written plan that, after the plan's effective date, guides
1316 and controls the development within a project area.

1317 (19) (a) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4,
1318 Privilege Tax, except as described in Subsection (19)(b), and each levy on an ad valorem basis
1319 on tangible or intangible personal or real property.

1320 (b) "Property tax" does not include a privilege tax on the taxable value:

1321 (i) attributable to a portion of a facility leased to the military for a calendar year when:

1322 (A) a lessee of military land has constructed a facility on the military land that is part of
1323 a project area;

1324 (B) the lessee leases space in the facility to the military for the entire calendar year; and

1325 (C) the lease rate paid by the military for the space is \$1 or less for the entire calendar
1326 year, not including any common charges that are reimbursements for actual expenses; or

1327 (ii) of the following property owned by the authority, regardless of whether the

1328 authority enters into a long-term operating agreement with a privately owned entity under
1329 which the privately owned entity agrees to operate the property:

1330 (A) a hotel;

1331 (B) a hotel condominium unit in a condominium project, as defined in Section 57-8-3;

1332 and

1333 (C) a commercial condominium unit in a condominium project, as defined in Section
1334 57-8-3.

1335 (20) "Property tax allocation" means the difference between:

1336 (a) the amount of property tax revenues generated each tax year by all taxing entities
1337 from the area within a project area designated in the project area plan as the area from which
1338 the property tax allocation is to be collected, using the current assessed value of the property;
1339 and

1340 (b) the amount of property tax revenues that would be generated from that same area
1341 using the base taxable value of the property.

1342 (21) "Public entity" means:

1343 (a) the state, including each department or agency of the state; or

1344 (b) a political subdivision of the state, including a county, city, town, school district,
1345 local district, special service district, or interlocal cooperation entity.

1346 (22) (a) "Publicly owned infrastructure and improvements" means infrastructure,
1347 improvements, facilities, or buildings that benefit the public, the authority, the military, or
1348 military-related entities and are:

1349 (i) publicly owned by the military, the authority, a public infrastructure district under
1350 [~~Title 17B, Chapter 2a, Part 12~~] Title 17D, Chapter 4, Public Infrastructure District Act, or
1351 another public entity;

1352 (ii) owned by a utility; or

1353 (iii) publicly maintained or operated by the military, the authority, or another public
1354 entity.

1355 (b) "Publicly owned infrastructure and improvements" includes:

1356 (i) facilities, lines, or systems that harness geothermal energy or provide water, chilled
1357 water, steam, sewer, storm drainage, natural gas, electricity, or telecommunications;

1358 (ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking

- 1359 facilities, public transportation facilities, and parks, trails, and other recreational facilities;
- 1360 (iii) snowmaking equipment and related improvements that can also be used for water
- 1361 storage or fire suppression purposes; and
- 1362 (iv) a building and related improvements for occupancy by the public, the authority, the
- 1363 military, or military-related entities.
- 1364 (23) "Remaining municipal services revenue" means municipal services revenue that
- 1365 the authority has not:
- 1366 (a) spent during the authority's fiscal year for municipal services as provided in
- 1367 Subsection [63H-1-503\(1\)](#); or
- 1368 (b) redirected to use in accordance with Subsection [63H-1-502\(3\)](#).
- 1369 (24) "Resort communities tax" means a sales and use tax imposed under Section
- 1370 [59-12-401](#).
- 1371 (25) "Taxable value" means the value of property as shown on the last equalized
- 1372 assessment roll.
- 1373 (26) "Taxing entity":
- 1374 (a) means a public entity that levies a tax on property within a project area; and
- 1375 (b) does not include a public infrastructure district that the authority creates under
- 1376 [~~Title 17B, Chapter 2a, Part 12~~] Title 17D, Chapter 4, Public Infrastructure District Act.
- 1377 (27) "Telecommunications tax" means a telecommunications license tax under Title
- 1378 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act.
- 1379 (28) "Transient room tax" means a tax under Section [59-12-352](#).