

Representative Francis D. Gibson proposes the following substitute bill:

POLITICAL SUBDIVISIONS AMENDMENTS

2021 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jerry W. Stevenson

House Sponsor: Francis D. Gibson

LONG TITLE

General Description:

This bill modifies and enacts provisions relating to political subdivisions.

Highlighted Provisions:

This bill:

- ▶ authorizes the Utah Inland Port Authority to levy an assessment under the Assessment Area Act and makes provisions of that act applicable to the inland port authority;
- ▶ excludes a public infrastructure district created by the inland port authority from the definition of "taxing entity" applicable to the Utah Inland Port Authority Act;
- ▶ creates enterprise revolving loan funds, to be administered by the Division of Finance, to provide funding for infrastructure projects relating to the Utah Inland Port Authority, the Point of the Mountain State Land Authority, and the Military Installation Development Authority, and enacts provisions governing those funds;
- ▶ provides an exception to Open and Public Meeting Act requirements for electronic meetings held by the board of the Point of the Mountain State Land Authority, under certain circumstances;
- ▶ authorizes the Utah Inland Port Authority to create public infrastructure districts;
- ▶ defines "public entity" in the context of provisions applicable to the Point of the



- 26 Mountain State Land Authority;
- 27 ▶ modifies election provisions relating to a local district whose board members are
- 28 elected by property owners;
- 29 ▶ makes an exception to a voter approval requirement for general obligation bonds
- 30 issued by a local district whose board members are elected by property owners;
- 31 ▶ modifies a definition related to public infrastructure and improvements in the
- 32 context of provisions applicable to the Military Installation Development Authority;
- 33 and
- 34 ▶ makes technical changes.

35 Money Appropriated in this Bill:

36 None

37 Other Special Clauses:

38 None

39 Utah Code Sections Affected:

40 AMENDS:

- 41 **11-42-102**, as last amended by Laws of Utah 2020, Chapter 282
- 42 **11-42-106**, as last amended by Laws of Utah 2020, Chapter 282
- 43 **11-42-202**, as last amended by Laws of Utah 2020, Chapter 282
- 44 **11-42-411**, as last amended by Laws of Utah 2020, Chapter 282
- 45 **11-58-102**, as last amended by Laws of Utah 2020, Chapter 126
- 46 **11-58-304**, as last amended by Laws of Utah 2018, Second Special Session, Chapter 1
- 47 **11-59-102**, as enacted by Laws of Utah 2018, Chapter 388
- 48 **11-59-204**, as enacted by Laws of Utah 2018, Chapter 388
- 49 **17B-1-306**, as last amended by Laws of Utah 2020, Chapter 31
- 50 **17B-1-1102**, as last amended by Laws of Utah 2019, Chapter 490
- 51 **17B-2a-1202**, as last amended by Laws of Utah 2020, Chapters 282 and 397
- 52 **17B-2a-1205**, as last amended by Laws of Utah 2020, Chapters 282 and 397
- 53 **17B-2a-1206**, as last amended by Laws of Utah 2020, Chapter 282
- 54 **63H-1-102**, as last amended by Laws of Utah 2020, Chapter 282

55 ENACTS:

- 56 **11-58-106**, Utah Code Annotated 1953

- 57 [11-59-104](#), Utah Code Annotated 1953
 - 58 [63A-3-401.5](#), Utah Code Annotated 1953
 - 59 [63A-3-402](#), Utah Code Annotated 1953
 - 60 [63A-3-403](#), Utah Code Annotated 1953
 - 61 [63A-3-404](#), Utah Code Annotated 1953
 - 62 [63H-1-104](#), Utah Code Annotated 1953
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64 *Be it enacted by the Legislature of the state of Utah:*

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

66 **11-42-102. Definitions.**

67 (1) As used in this chapter:

68 (a) "Adequate protests" means, for all proposed assessment areas except sewer
69 assessment areas, timely filed, written protests under Section [11-42-203](#) that represent at least
70 40% of the frontage, area, taxable value, fair market value, lots, number of connections, or
71 equivalent residential units of the property proposed to be assessed, according to the same
72 assessment method by which the assessment is proposed to be levied, after eliminating:

73 (i) protests relating to:

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

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

77 (ii) protests that have been withdrawn under Subsection [11-42-203\(3\)](#).

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

84 (2) "Assessment area" means an area, or, if more than one area is designated, the
85 aggregate of all areas within a local entity's jurisdictional boundaries that is designated by a
86 local entity under Part 2, Designating an Assessment Area, for the purpose of financing the
87 costs of improvements, operation and maintenance, or economic promotion activities that

88 benefit property within the area.

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

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

91 (b) payable in part or in whole from assessments levied in an assessment area,

92 improvement revenues, and a guaranty fund or reserve fund.

93 (4) "Assessment fund" means a special fund that a local entity establishes under

94 Section 11-42-412.

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

96 from the levy of an assessment, as provided in Section 11-42-501.

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

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

101 (b) that, when applied to a benefitted property, accounts for an assessment that meets
102 the requirements of Section 11-42-409.

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

105 (8) "Assessment resolution" means a resolution adopted by a local entity under Section
106 11-42-404 that levies an assessment on benefitted property within an assessment area.

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

110 (10) "Bond anticipation notes" means notes issued under Section 11-42-602 in
111 anticipation of the issuance of assessment bonds.

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

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

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

118 (i) commercial;

- 119 (ii) mining;
- 120 (iii) industrial;
- 121 (iv) manufacturing;
- 122 (v) governmental;
- 123 (vi) trade;
- 124 (vii) professional;
- 125 (viii) a private or public club;
- 126 (ix) a lodge;
- 127 (x) a business; or
- 128 (xi) a similar purpose.
- 129 (b) "Commercial or industrial real property" includes real property that:
- 130 (i) is used as or held for dwelling purposes; and
- 131 (ii) contains more than four rental units.
- 132 (14) "Connection fee" means a fee charged by a local entity to pay for the costs of
- 133 connecting property to a publicly owned sewer, storm drainage, water, gas, communications, or
- 134 electrical system, whether or not improvements are installed on the property.
- 135 (15) "Contract price" means:
- 136 (a) the cost of acquiring an improvement, if the improvement is acquired; or
- 137 (b) the amount payable to one or more contractors for the design, engineering,
- 138 inspection, and construction of an improvement.
- 139 (16) "Designation ordinance" means an ordinance adopted by a local entity under
- 140 Section [11-42-206](#) designating an assessment area.
- 141 (17) "Designation resolution" means a resolution adopted by a local entity under
- 142 Section [11-42-206](#) designating an assessment area.
- 143 (18) "Development authority" means:
- 144 (a) the Utah Inland Port Authority created in Section [11-58-201](#); or
- 145 (b) the military installation development authority created in Section [63H-1-201](#).
- 146 [~~18~~] (19) "Economic promotion activities" means activities that promote economic
- 147 growth in a commercial area of a local entity, including:
- 148 (a) sponsoring festivals and markets;
- 149 (b) promoting business investment or activities;

150 (c) helping to coordinate public and private actions; and

151 (d) developing and issuing publications designed to improve the economic well-being
152 of the commercial area.

153 [~~19~~] (20) "Environmental remediation activity" means a surface or subsurface
154 enhancement, effort, cost, initial or ongoing maintenance expense, facility, installation, system,
155 earth movement, or change to grade or elevation that improves the use, function, aesthetics, or
156 environmental condition of publicly owned property.

157 [~~20~~] (21) "Equivalent residential unit" means a dwelling, unit, or development that is
158 equal to a single-family residence in terms of the nature of its use or impact on an improvement
159 to be provided in the assessment area.

160 [~~21~~] (22) "Governing body" means:

161 (a) for a county, city, or town, the legislative body of the county, city, or town;

162 (b) for a local district, the board of trustees of the local district;

163 (c) for a special service district:

164 (i) the legislative body of the county, city, or town that established the special service
165 district, if no administrative control board has been appointed under Section 17D-1-301; or

166 (ii) the administrative control board of the special service district, if an administrative
167 control board has been appointed under Section 17D-1-301;

168 (d) for the military installation development authority created in Section 63H-1-201,
169 the board, as defined in Section 63H-1-102; and

170 (e) for the Utah Inland Port Authority, created in Section 11-58-201, the board, as
171 defined in Section 11-58-102.

172 [~~22~~] (23) "Guaranty fund" means the fund established by a local entity under Section
173 11-42-701.

174 [~~23~~] (24) "Improved property" means property upon which a residential, commercial,
175 or other building has been built.

176 [~~24~~] (25) "Improvement":

177 (a) (i) means a publicly owned infrastructure, facility, system, or environmental
178 remediation activity that:

179 (A) a local entity is authorized to provide;

180 (B) the governing body of a local entity determines is necessary or convenient to

181 enable the local entity to provide a service that the local entity is authorized to provide; or

182 (C) a local entity is requested to provide through an interlocal agreement in accordance
183 with Chapter 13, Interlocal Cooperation Act; and

184 (ii) includes facilities in an assessment area, including a private driveway, an irrigation
185 ditch, and a water turnout, that:

186 (A) can be conveniently installed at the same time as an infrastructure, system, or other
187 facility described in Subsection [~~(24)~~] (25)(a)(i); and

188 (B) are requested by a property owner on whose property or for whose benefit the
189 infrastructure, system, or other facility is being installed; or

190 (b) for a local district created to assess groundwater rights in accordance with Section
191 [17B-1-202](#), means a system or plan to regulate groundwater withdrawals within a specific
192 groundwater basin in accordance with Sections [17B-1-202](#) and [73-5-15](#).

193 [~~(25)~~] (26) "Improvement revenues":

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

196 (b) does not include revenue from assessments.

197 [~~(26)~~] (27) "Incidental refunding costs" means any costs of issuing refunding
198 assessment bonds and calling, retiring, or paying prior bonds, including:

199 (a) legal and accounting fees;

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

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

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

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

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

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

210 [~~(27)~~] (28) "Installment payment date" means the date on which an installment
211 payment of an assessment is payable.

212 [~~(28)~~] (29) "Interim warrant" means a warrant issued by a local entity under Section
213 11-42-601.

214 [~~(29)~~] (30) "Jurisdictional boundaries" means:

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

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

217 [~~(30)~~] (31) "Local district" means a local district under Title 17B, Limited Purpose
218 Local Government Entities - Local Districts.

219 [~~(31)~~] (32) "Local entity" means:

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

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

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

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

225 (e) the Utah Inland Port Authority, created in Section 11-58-201; or

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

227 [~~(32)~~] (33) "Local entity obligations" means assessment bonds, refunding assessment
228 bonds, interim warrants, and bond anticipation notes issued by a local entity.

229 [~~(33)~~] (34) "Mailing address" means:

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

232 (b) if the property is improved property:

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

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

236 [~~(34)~~] (35) "Net improvement revenues" means all improvement revenues that a local
237 entity has received since the last installment payment date, less all amounts payable by the local
238 entity from those improvement revenues for operation and maintenance costs.

239 [~~(35)~~] (36) "Operation and maintenance costs":

240 (a) means the costs that a local entity incurs in operating and maintaining

241 improvements in an assessment area, whether or not those improvements have been financed
242 under this chapter; and

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

245 ~~[(36)]~~ (37) "Overhead costs" means the actual costs incurred or the estimated costs to
246 be incurred by a local entity in connection with an assessment area for appraisals, legal fees,
247 filing fees, financial advisory charges, underwriting fees, placement fees, escrow, trustee, and
248 paying agent fees, publishing and mailing costs, costs of levying an assessment, recording
249 costs, and all other incidental costs.

250 ~~[(37)]~~ (38) "Prior assessment ordinance" means the ordinance levying the assessments
251 from which the prior bonds are payable.

252 ~~[(38)]~~ (39) "Prior assessment resolution" means the resolution levying the assessments
253 from which the prior bonds are payable.

254 ~~[(39)]~~ (40) "Prior bonds" means the assessment bonds that are refunded in part or in
255 whole by refunding assessment bonds.

256 ~~[(40)]~~ (41) "Project engineer" means the surveyor or engineer employed by or the
257 private consulting engineer engaged by a local entity to perform the necessary engineering
258 services for and to supervise the construction or installation of the improvements.

259 ~~[(41)]~~ (42) "Property" includes real property and any interest in real property, including
260 water rights and leasehold rights.

261 ~~[(42)]~~ (43) "Property price" means the price at which a local entity purchases or
262 acquires by eminent domain property to make improvements in an assessment area.

263 ~~[(43)]~~ (44) "Provide" or "providing," with reference to an improvement, includes the
264 acquisition, construction, reconstruction, renovation, maintenance, repair, operation, and
265 expansion of an improvement.

266 ~~[(44)]~~ (45) "Public agency" means:

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

268 (b) a political subdivision of the state.

269 ~~[(45)]~~ (46) "Reduced payment obligation" means the full obligation of an owner of
270 property within an assessment area to pay an assessment levied on the property after the
271 assessment has been reduced because of the issuance of refunding assessment bonds, as
272 provided in Section [11-42-608](#).

273 ~~[(46)]~~ (47) "Refunding assessment bonds" means assessment bonds that a local entity

274 issues under Section 11-42-607 to refund, in part or in whole, assessment bonds.

275 ~~[(47)]~~ (48) "Reserve fund" means a fund established by a local entity under Section
276 11-42-702.

277 ~~[(48)]~~ (49) "Service" means:

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

280 (b) economic promotion activities; or

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

282 ~~[(49)]~~ (50) (a) "Sewer assessment area" means an assessment area that has as the
283 assessment area's primary purpose the financing and funding of public improvements to
284 provide sewer service where there is, in the opinion of the local board of health, substantial
285 evidence of septic system failure in the defined area due to inadequate soils, high water table,
286 or other factors proven to cause failure.

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

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

291 (ii) for which the local health department has inspected the system described in
292 Subsection ~~[(49)]~~ (50)(b)(i) to ensure that the system is functioning properly; and

293 (iii) for which the property owner opts out of the proposed assessment area for the
294 earlier of a period of 10 calendar years or until failure of the system described in Subsection
295 ~~[(49)]~~ (50)(b)(i).

296 ~~[(50)]~~ (51) "Special service district" means the same as that term is defined in Section
297 17D-1-102.

298 ~~[(51)]~~ (52) "Unassessed benefitted government property" means property that a local
299 entity may not assess in accordance with Section 11-42-408 but is benefitted by an
300 improvement, operation and maintenance, or economic promotion activities.

301 ~~[(52)]~~ (53) "Unimproved property" means property upon which no residential,
302 commercial, or other building has been built.

303 ~~[(53)]~~ (54) "Voluntary assessment area" means an assessment area that contains only
304 property whose owners have voluntarily consented to an assessment.

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

306 **11-42-106. Action to contest assessment or proceeding -- Requirements --**

307 **Exclusive remedy -- Bonds and assessment incontestable.**

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

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

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

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

314 (b) (i) Except as provided in Subsection (2)(b)(ii), an action under Subsection (1) may
315 not be commenced against and a summons relating to the action may not be served on the local
316 entity more than 60 days after the effective date of the:

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

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

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

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

324 (A) adopted by [~~the military installation~~] a development authority[~~, created in Section~~
325 [63H-1-201](#)], or a public infrastructure district created by [~~the military installation~~] a
326 development authority under Title 17B, Chapter 2a, Part 12, Public Infrastructure District Act;
327 and

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

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

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

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

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

336 Section 11-42-204.

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

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

345 (4) An assessment or a proceeding to designate an assessment area or to levy an
346 assessment may not be declared invalid or set aside in part or in whole because of an error or
347 irregularity that does not go to the equity or justice of the proceeding or the assessment meeting
348 the requirements of Section 11-42-409.

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

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

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

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

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

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

364 Section 3. Section 11-42-202 is amended to read:

365 **11-42-202. Requirements applicable to a notice of a proposed assessment area**
366 **designation.**

- 367 (1) Each notice required under Subsection 11-42-201(2)(a) shall:
- 368 (a) state that the local entity proposes to:
- 369 (i) designate one or more areas within the local entity's jurisdictional boundaries as an
370 assessment area;
- 371 (ii) provide an improvement to property within the proposed assessment area; and
- 372 (iii) finance some or all of the cost of improvements by an assessment on benefitted
373 property within the assessment area;
- 374 (b) describe the proposed assessment area by any reasonable method that allows an
375 owner of property in the proposed assessment area to determine that the owner's property is
376 within the proposed assessment area;
- 377 (c) describe, in a general and reasonably accurate way, the improvements to be
378 provided to the assessment area, including:
- 379 (i) the nature of the improvements; and
- 380 (ii) the location of the improvements, by reference to streets or portions or extensions
381 of streets or by any other means that the governing body chooses that reasonably describes the
382 general location of the improvements;
- 383 (d) state the estimated cost of the improvements as determined by a project engineer;
- 384 (e) for the version of notice mailed in accordance with Subsection (4)(b), state the
385 estimated total assessment specific to the benefitted property for which the notice is mailed;
- 386 (f) state that the local entity proposes to levy an assessment on benefitted property
387 within the assessment area to pay some or all of the cost of the improvements according to the
388 estimated benefits to the property from the improvements;
- 389 (g) if applicable, state that an unassessed benefitted government property will receive
390 improvements for which the cost will be allocated proportionately to the remaining benefitted
391 properties within the proposed assessment area and that a description of each unassessed
392 benefitted government property is available for public review at the location or website
393 described in Subsection (6);
- 394 (h) state the assessment method by which the governing body proposes to calculate the
395 proposed assessment, including, if the local entity is a municipality or county, whether the
396 assessment will be collected:
- 397 (i) by directly billing a property owner; or

398 (ii) by inclusion on a property tax notice issued in accordance with Section 59-2-1317
399 and in compliance with Section 11-42-401;

400 (i) state:

401 (i) the date described in Section 11-42-203 and the location at which protests against
402 designation of the proposed assessment area or of the proposed improvements are required to
403 be filed;

404 (ii) the method by which the governing body will determine the number of protests
405 required to defeat the designation of the proposed assessment area or acquisition or
406 construction of the proposed improvements; and

407 (iii) in large, boldface, and conspicuous type that a property owner must protest the
408 designation of the assessment area in writing if the owner objects to the area designation or
409 being assessed for the proposed improvements, operation and maintenance costs, or economic
410 promotion activities;

411 (j) state the date, time, and place of the public hearing required in Section 11-42-204;

412 (k) if the governing body elects to create and fund a reserve fund under Section
413 11-42-702, include a description of:

414 (i) how the reserve fund will be funded and replenished; and

415 (ii) how remaining money in the reserve fund is to be disbursed upon full payment of
416 the bonds;

417 (l) if the governing body intends to designate a voluntary assessment area, include a
418 property owner consent form that:

419 (i) estimates the total assessment to be levied against the particular parcel of property;

420 (ii) describes any additional benefits that the governing body expects the assessed
421 property to receive from the improvements;

422 (iii) designates the date and time by which the fully executed consent form is required
423 to be submitted to the governing body; and

424 (iv) if the governing body intends to enforce an assessment lien on the property in
425 accordance with Subsection 11-42-502.1(2)(a)(ii)(C):

426 (A) appoints a trustee that satisfies the requirements described in Section 57-1-21;

427 (B) gives the trustee the power of sale;

428 (C) is binding on the property owner and all successors; and

429 (D) explains that if an assessment or an installment of an assessment is not paid when
430 due, the local entity may sell the property owner's property to satisfy the amount due plus
431 interest, penalties, and costs, in the manner described in Title 57, Chapter 1, Conveyances;

432 (m) if the local entity intends to levy an assessment to pay operation and maintenance
433 costs or for economic promotion activities, include:

434 (i) a description of the operation and maintenance costs or economic promotion
435 activities to be paid by assessments and the initial estimated annual assessment to be levied;

436 (ii) a description of how the estimated assessment will be determined;

437 (iii) a description of how and when the governing body will adjust the assessment to
438 reflect the costs of:

439 (A) in accordance with Section 11-42-406, current economic promotion activities; or

440 (B) current operation and maintenance costs;

441 (iv) a description of the method of assessment if different from the method of
442 assessment to be used for financing any improvement; and

443 (v) a statement of the maximum number of years over which the assessment will be
444 levied for:

445 (A) operation and maintenance costs; or

446 (B) economic promotion activities;

447 (n) if the governing body intends to divide the proposed assessment area into
448 classifications under Subsection 11-42-201(1)(b), include a description of the proposed
449 classifications;

450 (o) if applicable, state the portion and value of the improvement that will be increased
451 in size or capacity to serve property outside of the assessment area and how the increases will
452 be financed; and

453 (p) state whether the improvements will be financed with a bond and, if so, the
454 currently estimated interest rate and term of financing, subject to Subsection (2), for which the
455 benefitted properties within the assessment area may be obligated.

456 (2) The estimated interest rate and term of financing in Subsection (1)(p) may not be
457 interpreted as a limitation to the actual interest rate incurred or the actual term of financing as
458 subject to the market rate at the time of the issuance of the bond.

459 (3) A notice required under Subsection 11-42-201(2)(a) may contain other information

460 that the governing body considers to be appropriate, including:

461 (a) the amount or proportion of the cost of the improvement to be paid by the local
462 entity or from sources other than an assessment;

463 (b) the estimated total amount of each type of assessment for the various improvements
464 to be financed according to the method of assessment that the governing body chooses; and

465 (c) provisions for any improvements described in Subsection
466 ~~11-42-102(24)~~(25)(a)(ii).

467 (4) Each notice required under Subsection 11-42-201(2)(a) shall:

468 (a) (i) (A) be published in a newspaper of general circulation within the local entity's
469 jurisdictional boundaries, once a week for four consecutive weeks, with the last publication at
470 least five but not more than 20 days before the day of the hearing required in Section

471 11-42-204; or

472 (B) if there is no newspaper of general circulation within the local entity's jurisdictional
473 boundaries, be posted in at least three public places within the local entity's jurisdictional
474 boundaries at least 20 but not more than 35 days before the day of the hearing required in
475 Section 11-42-204; and

476 (ii) be published on the Utah Public Notice Website described in Section 63F-1-701 for
477 four weeks before the deadline for filing protests specified in the notice under Subsection
478 (1)(i); and

479 (b) be mailed, postage prepaid, within 10 days after the first publication or posting of
480 the notice under Subsection (4)(a) to each owner of property to be assessed within the proposed
481 assessment area at the property owner's mailing address.

482 (5) (a) The local entity may record the version of the notice that is published or posted
483 in accordance with Subsection (4)(a) with the office of the county recorder, by legal description
484 and tax identification number as identified in county records, against the property proposed to
485 be assessed.

486 (b) The notice recorded under Subsection (5)(a) expires and is no longer valid one year
487 after the day on which the local entity records the notice if the local entity has failed to adopt
488 the designation ordinance or resolution under Section 11-42-201 designating the assessment
489 area for which the notice was recorded.

490 (6) A local entity shall make available on the local entity's website, or, if no website is

491 available, at the local entity's place of business, the address and type of use of each unassessed
492 benefitted government property described in Subsection (1)(g).

493 (7) If a governing body fails to provide actual or constructive notice under this section,
494 the local entity may not assess a levy against a benefitted property omitted from the notice
495 unless:

496 (a) the property owner gives written consent;

497 (b) the property owner received notice under Subsection 11-42-401(2)(a)(iii) and did
498 not object to the levy of the assessment before the final hearing of the board of equalization; or

499 (c) the benefitted property is conveyed to a subsequent purchaser and, before the date
500 of conveyance, the requirements of Subsections 11-42-206(3)(a)(i) and (ii), or, if applicable,
501 Subsection 11-42-207(1)(d)(i) are met.

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

503 **11-42-411. Installment payment of assessments.**

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

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

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

511 (A) [~~the military installation~~] a development authority[~~, created in Section 63H-1-201~~];
512 or

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

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

518 (i) shall make a determination that:

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

521 (B) it would be in the best interests of the local entity and the property owners for

522 installments to be paid for more than 10 years; and

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

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

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

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

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

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

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

- 544 (i) the basis upon which the rate is to be determined from time to time;
 - 545 (ii) the manner in which and schedule upon which the rate is to be adjusted; and
 - 546 (iii) a maximum rate that the assessment may bear.
- 547 (4) Interest payable on assessments may include:
- 548 (a) interest on assessment bonds;
 - 549 (b) ongoing local entity costs incurred for administration of the assessment area; and
 - 550 (c) any costs incurred with respect to:
 - 551 (i) securing a letter of credit or other instrument to secure payment or repurchase of
552 bonds; or

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

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

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

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

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

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

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

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

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

571 Section 5. Section **11-58-102** is amended to read:

572 **11-58-102. Definitions.**

573 As used in this chapter:

574 (1) "Authority" means the Utah Inland Port Authority, created in Section [11-58-201](#).

575 (2) "Authority jurisdictional land" means land within the authority boundary
576 delineated:

577 (a) in the electronic shapefile that is the electronic component of H.B. 2001, Utah
578 Inland Port Authority Amendments, 2018 Second Special Session; and

579 (b) beginning April 1, 2020, as provided in Subsection [11-58-202](#)(3).

580 (3) "Base taxable value" means:

581 (a) (i) except as provided in Subsection (3)(a)(ii), for a project area that consists of the
582 authority jurisdictional land, the taxable value of authority jurisdictional land in calendar year
583 2018; and

584 (ii) for an area described in Subsection 11-58-601(5), the taxable value of that area in
585 calendar year 2017; or

586 (b) for a project area that consists of land outside the authority jurisdictional land, the
587 taxable value of property within any portion of a project area, as designated by board
588 resolution, from which the property tax differential will be collected, as shown upon the
589 assessment roll last equalized before the year in which the authority adopts a project area plan
590 for that area.

591 (4) "Board" means the authority's governing body, created in Section 11-58-301.

592 (5) "Business plan" means a plan designed to facilitate, encourage, and bring about
593 development of the authority jurisdictional land to achieve the goals and objectives described
594 in Subsection 11-58-203(1), including the development and establishment of an inland port.

595 (6) "Development" means:

596 (a) the demolition, construction, reconstruction, modification, expansion, or
597 improvement of a building, utility, infrastructure, landscape, parking lot, park, trail,
598 recreational amenity, or other facility, including publicly owned infrastructure and
599 improvements; and

600 (b) the planning of, arranging for, or participation in any of the activities listed in
601 Subsection (6)(a).

602 (7) "Development project" means a project for the development of land within a
603 project area.

604 (8) "Inland port" means one or more sites that:

605 (a) contain multimodal transportation assets and other facilities that:

606 (i) are related but may be separately owned and managed; and

607 (ii) together are intended to:

608 (A) allow global trade to be processed and altered by value-added services as goods
609 move through the supply chain;

610 (B) provide a regional merging point for transportation modes for the distribution of
611 goods to and from ports and other locations in other regions;

612 (C) provide cargo-handling services to allow freight consolidation and distribution,
613 temporary storage, customs clearance, and connection between transport modes; and

614 (D) provide international logistics and distribution services, including freight

615 forwarding, customs brokerage, integrated logistics, and information systems; and

616 (b) may include a satellite customs clearance terminal, an intermodal facility, a
617 customs pre-clearance for international trade, or other facilities that facilitate, encourage, and
618 enhance regional, national, and international trade.

619 (9) "Inland port use" means a use of land:

620 (a) for an inland port;

621 (b) that directly implements or furthers the purposes of an inland port, as stated in
622 Subsection (8);

623 (c) that complements or supports the purposes of an inland port, as stated in Subsection
624 (8); or

625 (d) that depends upon the presence of the inland port for the viability of the use.

626 (10) "Intermodal facility" means a hub or other facility for trade combining any
627 combination of rail, trucking, air cargo, and other transportation services.

628 (11) "Nonvoting member" means an individual appointed as a member of the board
629 under Subsection [11-58-302\(6\)](#) who does not have the power to vote on matters of authority
630 business.

631 (12) "Project area" means:

632 (a) the authority jurisdictional land; or

633 (b) land outside the authority jurisdictional land, whether consisting of a single
634 contiguous area or multiple noncontiguous areas, described in a project area plan or draft
635 project area plan, where the development project set forth in the project area plan or draft
636 project area plan takes place or is proposed to take place.

637 (13) "Project area budget" means a multiyear projection of annual or cumulative
638 revenues and expenses and other fiscal matters pertaining to the project area.

639 (14) "Project area plan" means a written plan that, after its effective date, guides and
640 controls the development within a project area.

641 (15) "Property tax" includes a privilege tax and each levy on an ad valorem basis on
642 tangible or intangible personal or real property.

643 (16) "Property tax differential":

644 (a) means the difference between:

645 (i) the amount of property tax revenues generated each tax year by all taxing entities

646 from a project area, using the current assessed value of the property; and

647 (ii) the amount of property tax revenues that would be generated from that same area
648 using the base taxable value of the property; and

649 (b) does not include property tax revenue from:

650 (i) a county additional property tax or multicounty assessing and collecting levy
651 imposed in accordance with Section 59-2-1602;

652 (ii) a judgment levy imposed by a taxing entity under Section 59-2-1328 or 59-2-1330;
653 or

654 (iii) a levy imposed by a taxing entity under Section 11-14-310 to pay for a general
655 obligation bond.

656 (17) "Public entity" means:

657 (a) the state, including each department, division, or other agency of the state; or

658 (b) a county, city, town, metro township, school district, local district, special service
659 district, interlocal cooperation entity, community reinvestment agency, or other political
660 subdivision of the state, including the authority.

661 (18) "Publicly owned infrastructure and improvements":

662 (a) means infrastructure, improvements, facilities, or buildings that:

663 (i) benefit the public; and

664 (ii) (A) are owned by a public entity or a utility; or

665 (B) are publicly maintained or operated by a public entity;

666 (b) includes:

667 (i) facilities, lines, or systems that provide:

668 (A) water, chilled water, or steam; or

669 (B) sewer, storm drainage, natural gas, electricity, energy storage, renewable energy,
670 microgrids, or telecommunications service; and

671 (ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking
672 facilities, and public transportation facilities.

673 (19) "Shapefile" means the digital vector storage format for storing geometric location
674 and associated attribute information.

675 (20) "Taxable value" means the value of property as shown on the last equalized
676 assessment roll.

677 (21) "Taxing entity":
678 (a) means a public entity that levies a tax on property within a project area[-]; and
679 (b) does not include a public infrastructure district that the authority creates under Title
680 17B, Chapter 2a, Part 12, Public Infrastructure District Act.

681 (22) "Voting member" means an individual appointed or designated as a member of the
682 board under Subsection 11-58-302(2).

683 Section 6. Section **11-58-106** is enacted to read:

684 **11-58-106. Loan approval committee -- Approval of infrastructure loans.**

685 (1) As used in this section:

686 (a) "Borrower" means the same as that term is defined in Section 63A-3-401.5.

687 (b) "Infrastructure loan" means the same as that term is defined in Section
688 63A-3-401.5.

689 (c) "Infrastructure project" means the same as that term is defined in Section
690 63A-3-401.5.

691 (d) "Inland port fund" means the same as that term is defined in Section 63A-3-401.5.

692 (e) "Loan approval committee" means a committee consisting of:

693 (i) the two board members appointed by the governor;

694 (ii) the board member appointed by the president of the Senate;

695 (iii) the board member appointed by the speaker of the House of Representatives; and

696 (iv) the board member appointed by the chair of the Permanent Community Impact

697 Fund Board.

698 (2) The loan approval committee may approve an infrastructure loan from the inland
699 port fund to a borrower for an infrastructure project undertaken by the borrower.

700 (3) (a) The loan approval committee shall establish the terms of an infrastructure loan
701 in accordance with Section 63A-3-404.

702 (b) The loan approval committee shall require the terms of an infrastructure loan
703 secured by property tax differential to include a requirement that money from the infrastructure
704 loan be used only for an infrastructure project within the project area that generates the
705 property tax differential.

706 (c) The terms of an infrastructure loan that the loan approval committee approves may
707 include provisions allowing for the infrastructure loan to be forgiven if:

- 708 (i) the infrastructure loan is to a public university in the state;
- 709 (ii) the infrastructure loan is to fund a vehicle electrification pilot project;
- 710 (iii) the amount of the infrastructure loan does not exceed \$15,000,000; and
- 711 (iv) the public university receives matching funds for the vehicle electrification pilot
- 712 project from another source.

713 (4) (a) The loan approval committee shall establish policies and guidelines with respect
714 to prioritizing requests for infrastructure loans and approving infrastructure loans.

715 (b) With respect to infrastructure loan requests for an infrastructure project on authority
716 jurisdictional land, the policies and guidelines established under Subsection (4)(a) shall give
717 priority to an infrastructure loan request that furthers the policies and best practices
718 incorporated into the environmental sustainability component of the authority's business plan
719 under Subsection [11-58-202\(1\)\(a\)](#).

720 (5) Within 60 days after the execution of an infrastructure loan, the loan approval
721 committee shall report the infrastructure loan, including the loan amount, terms, and security,
722 to the Executive Appropriations Committee.

723 (6) (a) Salaries and expenses of committee members who are legislators shall be paid
724 in accordance with Section [36-2-2](#) and Legislative Joint Rules, Title 5, Chapter 3, Legislator
725 Compensation.

726 (b) A committee member who is not a legislator may not receive compensation or
727 benefits for the member's service on the committee, but may receive per diem and
728 reimbursement for travel expenses incurred as a committee member at the rates established by
729 the Division of Finance under:

730 (i) Sections [63A-3-106](#) and [63A-3-107](#); and

731 (ii) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and
732 [63A-3-107](#).

733 Section 7. Section **11-58-304** is amended to read:

734 **11-58-304. Limitations on board members and executive director.**

735 (1) As used in this section:

736 (a) "Direct financial benefit":

737 (i) means any form of financial benefit that accrues to an individual directly, including:

738 (A) compensation, commission, or any other form of a payment or increase of money;

739 and

740 (B) an increase in the value of a business or property; and

741 (ii) does not include a financial benefit that accrues to the public generally.

742 (b) "Family member" means a parent, spouse, sibling, child, or grandchild.

743 (2) An individual may not serve as a voting member of the board or as executive
744 director if:

745 (a) the individual owns real property, other than a personal residence in which the
746 individual resides, [~~on or within five miles of the authority jurisdictional land~~] within a project
747 area, whether or not the ownership interest is a recorded interest;

748 (b) a family member of the individual owns an interest in real property, other than a
749 personal residence in which the family member resides, located [~~on or within one-half mile of~~
750 ~~the authority jurisdictional land~~] within a project area; or

751 (c) the individual or a family member of the individual owns an interest in, is directly
752 affiliated with, or is an employee or officer of a private firm, private company, or other private
753 entity that the individual reasonably believes is likely to:

754 (i) participate in or receive a direct financial benefit from the development of the
755 authority jurisdictional land; or

756 (ii) acquire an interest in or locate a facility [~~on the authority jurisdictional land~~] within
757 a project area.

758 (3) Before taking office as a voting member of the board or accepting employment as
759 executive director, an individual shall submit to the authority:

760 (a) a statement verifying that the individual's service as a board member or
761 employment as executive director does not violate Subsection (2); or

762 (b) for an individual to whom Subsection 11-58-302(8) applies, the disclosure required
763 under that subsection.

764 (4) (a) An individual may not, at any time during the individual's service as a voting
765 member or employment with the authority, acquire, or take any action to initiate, negotiate, or
766 otherwise arrange for the acquisition of, an interest in real property located [~~on or within five~~
767 ~~miles of the authority jurisdictional land~~] within a project area, if:

768 (i) the acquisition is in the individual's personal capacity or in the individual's capacity
769 as an employee or officer of a private firm, private company, or other private entity; and

770 (ii) the acquisition will enable the individual to receive a direct financial benefit as a
771 result of the development of the [~~authority jurisdictional land~~] project area.

772 (b) Subsection (4)(a) does not apply to an individual's acquisition of, or action to
773 initiate, negotiate, or otherwise arrange for the acquisition of, an interest in real property that is
774 a personal residence in which the individual will reside upon acquisition of the real property.

775 (5) (a) A voting member or nonvoting member of the board or an employee of the
776 authority may not receive a direct financial benefit from the development of [~~authority~~
777 ~~jurisdictional land~~] a project area.

778 (b) For purposes of Subsection (5)(a), a direct financial benefit does not include:

779 (i) expense reimbursements;

780 (ii) per diem pay for board member service, if applicable; or

781 (iii) an employee's compensation or benefits from employment with the authority.

782 (6) Nothing in this section may be construed to affect the application or effect of any
783 other code provision applicable to a board member or employee relating to ethics or conflicts
784 of interest.

785 Section 8. Section **11-59-102** is amended to read:

786 **11-59-102. Definitions.**

787 As used in this chapter:

788 (1) "Authority" means the Point of the Mountain State Land Authority, created in
789 Section **11-59-201**.

790 (2) "Board" means the authority's board, created in Section **11-59-301**.

791 (3) "Development":

792 (a) means the construction, reconstruction, modification, expansion, or improvement of
793 a building, utility, infrastructure, landscape, parking lot, park, trail, recreational amenity, or
794 other facility, including:

795 (i) the demolition or preservation or repurposing of a building, infrastructure, or other
796 facility;

797 (ii) surveying, testing, locating existing utilities and other infrastructure, and other
798 preliminary site work; and

799 (iii) any associated planning, design, engineering, and related activities; and

800 (b) includes all activities associated with:

- 801 (i) marketing and business recruiting activities and efforts;
- 802 (ii) leasing, or selling or otherwise disposing of, all or any part of the point of the
- 803 mountain state land; and
- 804 (iii) planning and funding for mass transit infrastructure to service the point of the
- 805 mountain state land.
- 806 (4) "New correctional facility" means the state correctional facility being developed in
- 807 Salt Lake City to replace the state correctional facility in Draper.
- 808 (5) "Point of the mountain state land" means the approximately 700 acres of
- 809 state-owned land in Draper, including land used for the operation of a state correctional facility
- 810 until completion of the new correctional facility and state-owned land in the vicinity of the
- 811 current state correctional facility.
- 812 (6) "Public entity" means:
- 813 (a) the state, including each department, division, or other agency of the state; or
- 814 (b) a county, city, town, metro township, school district, local district, special service
- 815 district, interlocal cooperation entity, community reinvestment agency, or other political
- 816 subdivision of the state, including the authority.
- 817 Section 9. Section **11-59-104** is enacted to read:
- 818 **11-59-104. Loan approval committee -- Approval of infrastructure loans.**
- 819 (1) As used in this section:
- 820 (a) "Borrower" means the same as that term is defined in Section [63A-3-401.5](#).
- 821 (b) "Infrastructure loan" means the same as that term is defined in Section
- 822 [63A-3-401.5](#).
- 823 (c) "Infrastructure project" means the same as that term is defined in Section
- 824 [63A-3-401.5](#).
- 825 (d) "Point of the mountain fund" means the same as that term is defined in Section
- 826 [63A-3-401.5](#).
- 827 (e) "Loan approval committee" means a committee consisting of:
- 828 (i) the board member:
- 829 (A) who is a member of the Senate appointed under Subsection [11-59-302\(2\)\(a\)](#); and
- 830 (B) whose Senate district is closer to the boundary of the point of the mountain state
- 831 land than is the Senate district of the other member of the Senate appointed under Subsection

832 [11-59-302\(2\)\(a\)](#);

833 (ii) the board member:

834 (A) who is a member of the House of Representatives appointed under Subsection

835 [11-59-302\(2\)\(b\)](#); and

836 (B) whose House district is closer to the boundary of the point of the mountain state

837 land than is the House district of the other member of the House of Representatives appointed

838 under Subsection [11-59-302\(2\)\(b\)](#);

839 (iii) the board member who is appointed by the governor under Subsection

840 [11-59-302\(2\)\(c\)\(i\)](#);

841 (iv) the board member who is appointed by the governor under Subsection

842 [11-59-302\(2\)\(c\)\(ii\)](#); and

843 (v) the board member who is the mayor of Draper or a member of the Draper city

844 council.

845 (2) The loan approval committee may approve an infrastructure loan from the point of

846 the mountain fund to a borrower for an infrastructure project undertaken by the borrower.

847 (3) The loan approval committee shall establish the terms of an infrastructure loan in

848 accordance with Section [63A-3-404](#).

849 (4) The loan approval committee may establish policies and guidelines with respect to

850 prioritizing requests for infrastructure loans and approving infrastructure loans.

851 (5) Within 60 days after the execution of an infrastructure loan, the loan approval

852 committee shall report the infrastructure loan, including the loan amount, terms, and security,

853 to the Executive Appropriations Committee.

854 (6) (a) Salaries and expenses of committee members who are legislators shall be paid

855 in accordance with Section [36-2-2](#) and Legislative Joint Rules, Title 5, Chapter 3, Legislator

856 Compensation.

857 (b) A committee member who is not a legislator may not receive compensation or

858 benefits for the member's service on the committee, but may receive per diem and

859 reimbursement for travel expenses incurred as a committee member at the rates established by

860 the Division of Finance under:

861 (i) Sections [63A-3-106](#) and [63A-3-107](#); and

862 (ii) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and

863 [63A-3-107](#).

864 Section 10. Section **11-59-204** is amended to read:

865 **11-59-204. Applicability of other law -- Coordination with municipality.**

866 (1) The authority and the point of the mountain state land are not subject to:

867 (a) Title 10, Chapter 9a, Municipal Land Use, Development, and Management Act; or

868 (b) the jurisdiction of a local district under Title 17B, Limited Purpose Local

869 Government Entities - Local Districts, or a special service district under Title 17D, Chapter 1,

870 Special Service District Act, except to the extent that:

871 (i) some or all of the point of the mountain state land is, on May 8, 2018, included

872 within the boundary of a local district or special service district; and

873 (ii) the authority elects to receive service from the local district or special service

874 district for the point of the mountain state land that is included within the boundary of the local

875 district or special service district, respectively.

876 (2) In formulating and implementing a development plan for the point of the mountain

877 state land, the authority shall consult with officials of the municipality within which the point

878 of the mountain state land is located on planning and zoning matters.

879 (3) The authority is subject to and governed by Sections [63E-2-106](#), [63E-2-107](#),

880 [63E-2-108](#), [63E-2-109](#), [63E-2-110](#), and [63E-2-111](#), but is not otherwise subject to or governed

881 by Title 63E, Independent Entities Code.

882 (4) Nothing in this chapter may be construed to remove the point of the mountain state

883 land from the service area of the municipality in which the point of the mountain state land is

884 located, for purposes of water, sewer, and other similar municipal services currently being

885 provided.

886 (5) The authority is subject to Title 52, Chapter 4, Open and Public Meetings Act,

887 except that for an electronic meeting of the authority board that otherwise complies with

888 Section [52-4-207](#), the authority board:

889 (a) is not required to establish an anchor location; and

890 (b) may convene and conduct the meeting without the written determination otherwise

891 required under Subsection [52-4-207](#)(4).

892 Section 11. Section **17B-1-306** is amended to read:

893 **17B-1-306. Local district board -- Election procedures.**

894 (1) Except as provided in Subsection (12), each elected board member shall be selected
895 as provided in this section.

896 (2) (a) Each election of a local district board member shall be held:

897 (i) at the same time as the municipal general election or the regular general election, as
898 applicable; and

899 (ii) at polling places designated by the local district board in consultation with the
900 county clerk for each county in which the local district is located, which polling places shall
901 coincide with municipal general election or regular general election polling places, as
902 applicable, whenever feasible.

903 (b) The local district board, in consultation with the county clerk, may consolidate two
904 or more polling places to enable voters from more than one district to vote at one consolidated
905 polling place.

906 (c) (i) Subject to Subsections (5)(h) and (i), the number of polling places under
907 Subsection (2)(a)(ii) in an election of board members of an irrigation district shall be one
908 polling place per division of the district, designated by the district board.

909 (ii) Each polling place designated by an irrigation district board under Subsection
910 (2)(c)(i) shall coincide with a polling place designated by the county clerk under Subsection
911 (2)(a)(ii).

912 (3) The clerk of each local district with a board member position to be filled at the next
913 municipal general election or regular general election, as applicable, shall provide notice of:

914 (a) each elective position of the local district to be filled at the next municipal general
915 election or regular general election, as applicable;

916 (b) the constitutional and statutory qualifications for each position; and

917 (c) the dates and times for filing a declaration of candidacy.

918 (4) The clerk of the local district shall publish the notice described in Subsection (3):

919 (a) by posting the notice on the Utah Public Notice Website created in Section
920 [63F-1-701](#), for 10 days before the first day for filing a declaration of candidacy; and

921 (b) (i) by posting the notice in at least five public places within the local district at least
922 10 days before the first day for filing a declaration of candidacy; or

923 (ii) publishing the notice:

924 (A) in a newspaper of general circulation within the local district at least three but no

925 more than 10 days before the first day for filing a declaration of candidacy;

926 (B) in accordance with Section 45-1-101, for 10 days before the first day for filing a
927 declaration of candidacy; and

928 (c) if the local district has a website, on the local district's website for 10 days before
929 the first day for filing a declaration of candidacy.

930 (5) (a) Except as provided in Subsection (5)(c), to become a candidate for an elective
931 local district board position, an individual shall file a declaration of candidacy in person with
932 an official designated by the local district, during office hours, within the candidate filing
933 period for the applicable election year in which the election for the local district board is held.

934 (b) When the candidate filing deadline falls on a Saturday, Sunday, or holiday, the
935 filing time shall be extended until the close of normal office hours on the following regular
936 business day.

937 (c) Subject to Subsection (5)(f), an individual may designate an agent to file a
938 declaration of candidacy with the official designated by the local district if:

939 (i) the individual is located outside of the state during the entire filing period;

940 (ii) the designated agent appears in person before the official designated by the local
941 district; and

942 (iii) the individual communicates with the official designated by the local district using
943 an electronic device that allows the individual and official to see and hear each other.

944 (d) (i) Before the filing officer may accept any declaration of candidacy from an
945 individual, the filing officer shall:

946 (A) read to the individual the constitutional and statutory qualification requirements for
947 the office that the individual is seeking; and

948 (B) require the individual to state whether the individual meets those requirements.

949 (ii) If the individual does not meet the qualification requirements for the office, the
950 filing officer may not accept the individual's declaration of candidacy.

951 (iii) If it appears that the individual meets the requirements of candidacy, the filing
952 officer shall accept the individual's declaration of candidacy.

953 (e) The declaration of candidacy shall be in substantially the following form:

954 "I, (print name) _____, being first duly sworn, say that I reside at (Street)

955 _____, City of _____, County of _____, state of Utah, (Zip

956 Code) _____, (Telephone Number, if any) _____; that I meet the qualifications for the
957 office of board of trustees member for _____ (state the name of the local
958 district); that I am a candidate for that office to be voted upon at the next election; and that, if
959 filing via a designated agent, I will be out of the state of Utah during the entire candidate filing
960 period, and I hereby request that my name be printed upon the official ballot for that election.

961 (Signed) _____

962 Subscribed and sworn to (or affirmed) before me by _____ on this _____ day
963 of _____, _____.

964 (Signed) _____

965 (Clerk or Notary Public)";

966 (f) An agent designated under Subsection (5)(c) may not sign the form described in
967 Subsection (5)(e).

968 (g) Each individual wishing to become a valid write-in candidate for an elective local
969 district board position is governed by Section 20A-9-601.

970 (h) If at least one individual does not file a declaration of candidacy as required by this
971 section, an individual shall be appointed to fill that board position in accordance with the
972 appointment provisions of Section 20A-1-512.

973 (i) If only one candidate files a declaration of candidacy and there is no write-in
974 candidate who complies with Section 20A-9-601, the board, in accordance with Section
975 20A-1-206, may:

- 976 (i) consider the candidate to be elected to the position; and
- 977 (ii) cancel the election.

978 (6) (a) A primary election may be held if:

- 979 (i) the election is authorized by the local district board; and
- 980 (ii) the number of candidates for a particular local board position or office exceeds
981 twice the number of persons needed to fill that position or office.

982 (b) The primary election shall be conducted:

- 983 (i) on the same date as the municipal primary election or the regular primary election,
984 as applicable; and

- 985 (ii) according to the procedures for primary elections provided under Title 20A,
986 Election Code.

987 (7) (a) Except as provided in Subsection (7)(c), within one business day after the
988 deadline for filing a declaration of candidacy, the local district clerk shall certify the candidate
989 names to the clerk of each county in which the local district is located.

990 (b) (i) Except as provided in Subsection (7)(c) and in accordance with Section
991 20A-6-305, the clerk of each county in which the local district is located and the local district
992 clerk shall coordinate the placement of the name of each candidate for local district office in
993 the nonpartisan section of the ballot with the appropriate election officer.

994 (ii) If consolidation of the local district election ballot with the municipal general
995 election ballot or the regular general election ballot, as applicable, is not feasible, the local
996 district board of trustees, in consultation with the county clerk, shall provide for a separate
997 local district election ballot to be administered by poll workers at polling locations designated
998 under Subsection (2).

999 (c) (i) Subsections (7)(a) and (b) do not apply to an election of a member of the board
1000 of an irrigation district established under Chapter 2a, Part 5, Irrigation District Act.

1001 (ii) (A) Subject to Subsection (7)(c)(ii)(B), the board of each irrigation district shall
1002 prescribe the form of the ballot for each board member election.

1003 (B) Each ballot for an election of an irrigation district board member shall be in a
1004 nonpartisan format.

1005 (C) The name of each candidate shall be placed on the ballot in the order specified
1006 under Section 20A-6-305.

1007 (8) (a) Each voter at an election for a board of trustees member of a local district shall:

1008 (i) be a registered voter within the district, except for an election of:

1009 (A) an irrigation district board of trustees member; or

1010 (B) a basic local district board of trustees member who is elected by property owners;

1011 and

1012 (ii) meet the requirements to vote established by the district.

1013 (b) Each voter may vote for as many candidates as there are offices to be filled.

1014 (c) The candidates who receive the highest number of votes are elected.

1015 (9) Except as otherwise provided by this section, the election of local district board
1016 members is governed by Title 20A, Election Code.

1017 (10) (a) Except as provided in Subsection 17B-1-303(8), a person elected to serve on a

1018 local district board shall serve a four-year term, beginning at noon on the January 1 after the
1019 person's election.

1020 (b) A person elected shall be sworn in as soon as practical after January 1.

1021 (11) (a) Except as provided in Subsection (11)(b), each local district shall reimburse
1022 the county or municipality holding an election under this section for the costs of the election
1023 attributable to that local district.

1024 (b) Each irrigation district shall bear ~~[its]~~ the district's own costs of each election ~~[it]~~
1025 the district holds under this section.

1026 (12) This section does not apply to an improvement district that provides electric or gas
1027 service.

1028 (13) Except as provided in Subsection [20A-3a-605\(1\)\(b\)](#), the provisions of Title 20A,
1029 Chapter 3a, Part 6, Early Voting, do not apply to an election under this section.

1030 (14) (a) As used in this Subsection (14), "board" means:

1031 (i) a local district board; or

1032 (ii) the administrative control board of a special service district that has elected
1033 members on the board.

1034 (b) A board may hold elections for membership on the board at a regular general
1035 election instead of a municipal general election if the board submits an application to the
1036 lieutenant governor that:

1037 (i) requests permission to hold elections for membership on the board at a regular
1038 general election instead of a municipal general election; and

1039 (ii) indicates that holding elections at the time of the regular general election is
1040 beneficial, based on potential cost savings, a potential increase in voter turnout, or another
1041 material reason.

1042 (c) Upon receipt of an application described in Subsection (14)(b), the lieutenant
1043 governor may approve the application if the lieutenant governor concludes that holding the
1044 elections at the regular general election is beneficial based on the criteria described in
1045 Subsection (14)(b)(ii).

1046 (d) If the lieutenant governor approves a board's application described in this section:

1047 (i) all future elections for membership on the board shall be held at the time of the
1048 regular general election; and

1049 (ii) the board may not hold elections at the time of a municipal general election unless
1050 the board receives permission from the lieutenant governor to hold all future elections for
1051 membership on the board at a municipal general election instead of a regular general election,
1052 under the same procedure, and by applying the same criteria, described in this Subsection (14).

1053 (15) (a) This Subsection (15) applies to a local district if:

1054 (i) the local district's board members are elected by the owners of real property, as
1055 provided in Subsection 17B-1-1402(1)(b); and

1056 (ii) the local district was created before January 1, 2020.

1057 (b) The board of a local district described in Subsection (15)(a) may conduct an
1058 election:

1059 (i) to fill a board member position that expires at the end of the term for that board
1060 member's position; and

1061 (ii) notwithstanding Subsection 20A-1-512(1)(a)(i), to fill a vacancy in an unexpired
1062 term of a board member.

1063 (c) An election under Subsection (15)(b) may be conducted as determined by the local
1064 district board, subject to Subsection (15)(d).

1065 (d) (i) The local district board shall provide to property owners eligible to vote at the
1066 local district election:

1067 (A) notice of the election; and

1068 (B) a form to nominate an eligible individual to be elected as a board member.

1069 (ii) (A) The local district board may establish a deadline for a property owner to submit
1070 a nomination form.

1071 (B) A deadline under Subsection (15)(d)(ii)(A) may not be earlier than 15 days after
1072 the board provides the notice and nomination form under Subsection (15)(d)(i).

1073 (iii) (A) After the deadline for submitting nomination forms, the local district board
1074 shall provide a ballot to all property owners eligible to vote at the local district election.

1075 (B) A local district board shall allow at least five days for ballots to be returned.

1076 (iv) A local district board shall certify the results of an election under this Subsection
1077 (15) during an open meeting of the board.

1078 Section 12. Section 17B-1-1102 is amended to read:

1079 **17B-1-1102. General obligation bonds.**

1080 (1) Except as provided in [~~Subsection (3)~~] Subsections (3) and (7), if a district intends
1081 to issue general obligation bonds, the district shall first obtain the approval of district voters for
1082 issuance of the bonds at an election held for that purpose as provided in Title 11, Chapter 14,
1083 Local Government Bonding Act.

1084 (2) General obligation bonds shall be secured by a pledge of the full faith and credit of
1085 the district, subject to:

1086 (a) for a water conservancy district, the property tax levy limits of Section
1087 [17B-2a-1006](#); and

1088 (b) for a limited tax bond as defined in Section [17B-2a-1202](#) that a public
1089 infrastructure district issues, the property tax levy limits of Section [17B-2a-1209](#).

1090 (3) A district may issue refunding general obligation bonds, as provided in Title 11,
1091 Chapter 27, Utah Refunding Bond Act, without obtaining voter approval.

1092 (4) (a) A local district may not issue general obligation bonds if the issuance of the
1093 bonds will cause the outstanding principal amount of all of the district's general obligation
1094 bonds to exceed the amount that results from multiplying the fair market value of the taxable
1095 property within the district, as determined under Subsection [11-14-301](#)(3)(b), by a number that
1096 is:

1097 (i) .05, for a basic local district, except as provided in Subsection (7);

1098 (ii) .004, for a cemetery maintenance district;

1099 (iii) .002, for a drainage district;

1100 (iv) .004, for a fire protection district;

1101 (v) .024, for an improvement district;

1102 (vi) .1, for an irrigation district;

1103 (vii) .1, for a metropolitan water district;

1104 (viii) .0004, for a mosquito abatement district;

1105 (ix) .03, for a public transit district;

1106 (x) .12, for a service area;

1107 (xi) .05 for a municipal services district; or

1108 (xii) except for a limited tax bond as defined in Section [17B-2a-1202](#), .15 for a public
1109 infrastructure district.

1110 (b) Bonds or other obligations of a local district that are not general obligation bonds

1111 are not included in the limit stated in Subsection (4)(a).

1112 (5) A district may not be considered to be a municipal corporation for purposes of the
1113 debt limitation of the Utah Constitution, Article XIV, Section 4.

1114 (6) Bonds issued by an administrative or legal entity created under Title 11, Chapter
1115 13, Interlocal Cooperation Act, may not be considered to be bonds of a local district that
1116 participates in the agreement creating the administrative or legal entity.

1117 (7) (a) As used in this Subsection (7), "property owner district" means a local district
1118 whose board members are elected by property owners, as provided in Subsection
1119 17B-1-1402(1)(b).

1120 (b) A property owner district may issue a general obligation bond with the consent of:

1121 (i) the owners of all property within the district; and

1122 (ii) all registered voters, if any, within the boundary of the district.

1123 (c) A property owner district may use proceeds from a bond issued under this
1124 Subsection (7) to fund:

1125 (i) the acquisition and construction of a system or improvement authorized in the
1126 district's creation resolution; and

1127 (ii) a connection outside the boundary of the district between systems or improvements
1128 within the boundary of the district.

1129 (d) The consent under Subsection (7)(b) is sufficient for any requirement necessary for
1130 the issuance of a general obligation bond.

1131 (e) A general obligation bond issued under this Subsection (7):

1132 (i) shall mature no later than 40 years after the date of issuance; and

1133 (ii) is not subject to the limit under Subsection (4)(a)(i).

1134 (f) (i) A property owner district may not issue a general obligation bond under this
1135 Subsection (7) if the issuance will cause the outstanding principal amount of all the district's
1136 general obligation bonds to exceed one-half of the market value of all real property within the
1137 district.

1138 (ii) Market value under Subsection (7)(f)(i) shall:

1139 (A) be based on the value that the real property will have after all improvements
1140 financed by the general obligation bonds are constructed; and

1141 (B) be determined by appraisal by an appraiser who is a member of the Appraisal

1142 Institute.

1143 (g) With respect to a general obligation bond issued under this Subsection (7), the
1144 board of a property owner district may, by resolution, delegate to one or more officers of the
1145 district, the authority to:

1146 (i) approve the final interest rate, price, principal amount, maturity, redemption
1147 features, and other terms of the bond;

1148 (ii) approve and execute a document relating to the issuance of the bond; and

1149 (iii) approve a contract related to the acquisition and construction of an improvement,
1150 facility, or property to be financed with proceeds from the bond.

1151 (h) (i) A person may commence a lawsuit or other proceeding to contest the legality of
1152 the issuance of a general obligation bond issued under this Subsection (7) or any provision
1153 relating to the security or payment of the bond if the lawsuit or other proceeding is commenced
1154 within 30 days after the publication of:

1155 (A) the resolution authorizing the issuance of the general obligation bond; or

1156 (B) a notice of the bond issuance containing substantially the items required under
1157 Subsection [11-14-316\(2\)](#).

1158 (ii) Following the period described in Subsection (7)(h)(i), no person may bring a
1159 lawsuit or other proceeding to contest for any reason the regularity, formality, or legality of a
1160 general obligation bond issued under this Subsection (7).

1161 (i) (i) A property owner district that charges and collects an impact fee or other fee on
1162 real property at the time the real property is sold may proportionally pay down a general
1163 obligation bond issued under this Subsection (7) from the money collected from the impact fee
1164 or other fee.

1165 (ii) A property owner district that proportionally pays down a general obligation bond
1166 under Subsection (7)(i)(i) shall reduce the property tax rate on the parcel of real property on
1167 which the district charged and collected an impact fee or other charge, to reflect the amount of
1168 outstanding principal of a general obligation bond issued under this Subsection (7) that was
1169 paid down and is attributable to that parcel.

1170 (j) If a property owner fails to pay a property tax that the property owner district
1171 imposes in connection with a general obligation bond issued under this Subsection (7), the
1172 district may impose a property tax penalty at an annual rate of .07, in addition to any other

1173 penalty allowed by law.

1174 Section 13. Section **17B-2a-1202** is amended to read:

1175 **17B-2a-1202. Definitions.**

1176 As used in this part:

1177 (1) "Board" means the board of trustees of a public infrastructure district.

1178 (2) "Creating entity" means the county, municipality, or development authority that
1179 approves the creation of the public infrastructure district.

1180 (3) "Development authority" means:

1181 (a) the Utah Inland Port Authority created in Section [11-58-201](#); or

1182 (b) the military installation development authority created in Section [63H-1-201](#).

1183 (4) "District applicant" means the person proposing the creation of the public
1184 infrastructure district.

1185 (5) "Division" means a division of a public infrastructure district:

1186 (a) that is relatively equal in number of eligible voters or potential eligible voters to all
1187 other divisions within the public infrastructure district, taking into account existing or potential
1188 developments which, when completed, would increase or decrease the population within the
1189 public infrastructure district; and

1190 (b) which a member of the board represents.

1191 (6) "Governing document" means the document governing the public infrastructure
1192 district to which the creating entity agrees before the creation of the public infrastructure
1193 district, as amended from time to time, and subject to the limitations of Chapter 1, Provisions
1194 Applicable to All Local Districts, and this part.

1195 (7) (a) "Limited tax bond" means a bond:

1196 (i) that is directly payable from and secured by ad valorem property taxes that are
1197 levied:

1198 (A) by the public infrastructure district that issues the bond; and

1199 (B) on taxable property within the district;

1200 (ii) that is a general obligation of the public infrastructure district; and

1201 (iii) for which the ad valorem property tax levy for repayment of the bond does not
1202 exceed the property tax levy rate limit established under Section [17B-2a-1209](#) for any fiscal
1203 year, except as provided in Subsection [17B-2a-1207](#)(8).

1204 (b) "Limited tax bond" does not include:

1205 (i) a short-term bond;

1206 (ii) a tax and revenue anticipation bond; or

1207 (iii) a special assessment bond.

1208 (8) "Public infrastructure and improvements" means:

1209 (a) publicly owned infrastructure and improvements, as defined in Section 11-58-102,
1210 for a public infrastructure district created by the Utah Inland Port Authority created in Section
1211 11-58-201; and

1212 (b) the same as that term is defined in Section 63H-1-102, for a public infrastructure
1213 district created by the military installation development authority created in Section 63H-1-201.

1214 Section 14. Section 17B-2a-1205 is amended to read:

1215 **17B-2a-1205. Public infrastructure district board -- Governing document.**

1216 (1) The legislative body or board of the creating entity shall appoint the members of the
1217 board, in accordance with the governing document.

1218 (2) (a) Unless otherwise limited in the governing document and except as provided in
1219 Subsection (2)(b), the initial term of each member of the board is four years.

1220 (b) Notwithstanding Subsection (2)(a), approximately half of the members of the initial
1221 board shall serve a six-year term so that, after the expiration of the initial term, the term of
1222 approximately half the board members expires every two years.

1223 (c) A board may elect that a majority of the board serve an initial term of six years.

1224 (d) After the initial term, the term of each member of the board is four years.

1225 (3) (a) Notwithstanding Subsection 17B-1-302(1)(b), a board member is not required
1226 to be a resident within the boundaries of the public infrastructure district if:

1227 (i) all of the surface property owners consent to the waiver of the residency
1228 requirement;

1229 (ii) there are no residents within the boundaries of the public infrastructure district;

1230 (iii) no qualified candidate timely files to be considered for appointment to the board;

1231 or

1232 (iv) no qualified individual files a declaration of candidacy for a board position in
1233 accordance with Subsection 17B-1-306~~(4)~~(5).

1234 (b) Except under the circumstances described in Subsection (3)(a)(iii) or (iv), the

1235 residency requirement in Subsection 17B-1-302(1)(b) is applicable to any board member
1236 elected for a division or board position that has transitioned from an appointed to an elected
1237 board member in accordance with this section.

1238 (c) An individual who is not a resident within the boundaries of the public
1239 infrastructure district may not serve as a board member unless the individual is:

1240 (i) an owner of land or an agent or officer of the owner of land within the boundaries of
1241 the public infrastructure district; and

1242 (ii) a registered voter at the individual's primary residence.

1243 (4) (a) A governing document may provide for a transition from legislative body
1244 appointment under Subsection (1) to a method of election by registered voters based upon
1245 milestones or events that the governing document identifies, including a milestone for each
1246 division or individual board position providing that when the milestone is reached:

1247 (i) for a division, the registered voters of the division elect a member of the board in
1248 place of an appointed member at the next municipal general election for the board position; or

1249 (ii) for an at large board position established in the governing document, the registered
1250 voters of the public infrastructure district elect a member of the board in place of an appointed
1251 member at the next municipal general election for the board position.

1252 (b) Regardless of whether a board member is elected under Subsection (4)(a), the
1253 position of each remaining board member shall continue to be appointed under Subsection (1)
1254 until the member's respective division or board position surpasses the density milestone
1255 described in the governing document.

1256 (5) (a) Subject to Subsection (5)(c), the board may, in the board's discretion but no
1257 more frequently than every four years, reestablish the boundaries of each division so that each
1258 division that has reached a milestone specified in the governing document, as described in
1259 Subsection (4)(a), has, as nearly as possible, the same number of eligible voters.

1260 (b) In reestablishing division boundaries under Subsection (5)(a), the board shall
1261 consider existing or potential developments within the divisions which, when completed,
1262 would increase or decrease the number of eligible voters within the division.

1263 (c) The governing document may prohibit the board from reestablishing, without the
1264 consent of the creating entity, the division boundaries as described in Subsection (5)(a).

1265 (6) The public infrastructure district may not compensate a board member for the

1266 member's service on the board under Section 17B-1-307 unless the board member is a resident
1267 within the boundaries of the public infrastructure district.

1268 (7) The governing document shall:

1269 (a) include a boundary description and a map of the public infrastructure district;

1270 (b) state the number of board members;

1271 (c) describe any divisions of the public infrastructure district;

1272 (d) establish any applicable property tax levy rate limit for the public infrastructure
1273 district;

1274 (e) establish any applicable limitation on the principal amount of indebtedness for the
1275 public infrastructure district; and

1276 (f) include other information that the public infrastructure district or the creating entity
1277 determines to be necessary or advisable.

1278 (8) (a) Except as provided in Subsection (8)(b), the board and the governing body of
1279 the creating entity may amend a governing document by each adopting a resolution that
1280 approves the amended governing document.

1281 (b) Notwithstanding Subsection (8)(a), any amendment to a property tax levy rate
1282 limitation requires the consent of:

1283 (i) 100% of surface property owners within the boundaries of the public infrastructure
1284 district; and

1285 (ii) 100% of the registered voters, if any, within the boundaries of the public
1286 infrastructure district.

1287 (9) A board member is not in violation of Section 67-16-9 if the board member:

1288 (a) discloses a business relationship in accordance with Sections 67-16-7 and 67-16-8
1289 and files the disclosure with the creating entity:

1290 (i) before any appointment or election; and

1291 (ii) upon any significant change in the business relationship; and

1292 (b) conducts the affairs of the public infrastructure district in accordance with this title
1293 and any parameters described in the governing document.

1294 (10) Notwithstanding any other provision of this section, the governing document
1295 governs the number, appointment, and terms of board members of a public infrastructure
1296 district created by the development authority.

1297 Section 15. Section **17B-2a-1206** is amended to read:

1298 **17B-2a-1206. Additional public infrastructure district powers.**

1299 In addition to the powers conferred on a public infrastructure district under Section
1300 **17B-1-103**, a public infrastructure district may:

1301 (1) issue negotiable bonds to pay:

1302 (a) all or part of the costs of acquiring, acquiring an interest in, improving, or extending
1303 any of the improvements, facilities, or property allowed under Section **11-14-103**;

1304 (b) capital costs of improvements in an energy assessment area, as defined in Section
1305 **11-42a-102**, and other related costs, against the funds that the public infrastructure district will
1306 receive because of an assessment in an energy assessment area, as defined in Section
1307 **11-42a-102**;

1308 (c) public improvements related to the provision of housing;

1309 (d) capital costs related to public transportation; and

1310 (e) for a public infrastructure district created by ~~[the]~~ a development authority, the cost
1311 of acquiring or financing ~~[publicly owned]~~ public infrastructure and improvements;

1312 (2) enter into an interlocal agreement in accordance with Title 11, Chapter 13,
1313 Interlocal Cooperation Act, provided that the interlocal agreement may not expand the powers
1314 of the public infrastructure district, within the limitations of Title 11, Chapter 13, Interlocal
1315 Cooperation Act, without the consent of the creating entity;

1316 (3) acquire completed or partially completed improvements for fair market value as
1317 reasonably determined by:

1318 (a) the board;

1319 (b) the creating entity, if required in the governing document; or

1320 (c) a surveyor or engineer that a public infrastructure district employs or engages to
1321 perform the necessary engineering services for and to supervise the construction or installation
1322 of the improvements;

1323 (4) contract with the creating entity for the creating entity to provide administrative
1324 services on behalf of the public infrastructure district, when agreed to by both parties, in order
1325 to achieve cost savings and economic efficiencies, at the discretion of the creating entity; and

1326 (5) for a public infrastructure district created by a development authority:

1327 (a) (i) operate and maintain ~~[publicly owned]~~ public infrastructure and improvements

1328 the district acquires or finances; and

1329 (ii) use fees, assessments, or taxes to pay for the operation and maintenance of those

1330 [~~publicly owned~~] public infrastructure and improvements; and

1331 (b) issue bonds under Title 11, Chapter 42, Assessment Area Act.

1332 Section 16. Section **63A-3-401.5** is enacted to read:

1333 **Part 4. Infrastructure Revolving Loan Funds**

1334 **63A-3-401.5. Definitions.**

1335 As used in this part:

1336 (1) "Borrower" means a person who borrows money from an infrastructure fund for an
1337 infrastructure project.

1338 (2) "Independent political subdivision" means:

1339 (a) the Utah Inland Port Authority created in Section [11-58-201](#);

1340 (b) the Point of the Mountain State Land Authority created in Section [11-59-201](#); or

1341 (c) the Military Installation Development Authority created in Section [63H-1-201](#).

1342 (3) "Infrastructure fund" means a fund created in Subsection [63A-3-402\(1\)](#).

1343 (4) "Infrastructure loan" means a loan of infrastructure fund money to finance an
1344 infrastructure project.

1345 (5) "Infrastructure project" means a project to acquire, construct, reconstruct,
1346 rehabilitate, equip, or improve public infrastructure and improvements:

1347 (a) within a project area; or

1348 (b) outside a project area, if the respective loan approval committee determines by
1349 resolution that the public infrastructure and improvements are of benefit to the project area.

1350 (6) "Inland port" means the same as that term is defined in Section [11-58-102](#).

1351 (7) "Inland port fund" means the infrastructure fund created in Subsection
1352 [63A-3-402\(1\)\(a\)](#).

1353 (8) "Military development fund" means the infrastructure fund created in Subsection
1354 [63A-3-402\(1\)\(c\)](#).

1355 (9) "Point of the mountain fund" means the infrastructure fund created in Subsection
1356 [63A-3-402\(1\)\(b\)](#).

1357 (10) "Project area" means:

1358 (a) the same as that term is defined in Section [11-58-102](#), for purposes of an

1359 infrastructure loan from the inland port fund;

1360 (b) the point of the mountain state land, as defined in Section 11-59-102, for purposes
1361 of an infrastructure loan from the point of the mountain fund; and

1362 (c) the same as that term is defined in Section 63H-1-102, for purposes of an
1363 infrastructure loan from the military development fund.

1364 (11) "Property tax revenue" means:

1365 (a) property tax differential, as defined in Section 11-58-102, for purposes of an
1366 infrastructure loan from the inland port fund; or

1367 (b) property tax allocation, as defined in Section 63H-1-102, for purposes of an
1368 infrastructure loan from the military development fund.

1369 (12) "Public infrastructure and improvements":

1370 (a) for purposes of an infrastructure loan from the inland port fund:

1371 (i) means publicly owned infrastructure and improvements, as defined in Section
1372 11-58-102; and

1373 (ii) includes an inland port facility; and

1374 (b) means the same as that term is defined in Section 63H-1-102, for purposes of an
1375 infrastructure loan from the military development fund.

1376 (13) "Respective loan approval committee" means:

1377 (a) the committee created in Section 11-58-106, for purposes of an infrastructure loan
1378 from the inland port fund;

1379 (b) the committee created in Section 11-59-104, for purposes of an infrastructure loan
1380 from the point of the mountain fund; and

1381 (c) the committee created in Section 63H-1-104, for purposes of an infrastructure loan
1382 from the military development fund.

1383 Section 17. Section 63A-3-402 is enacted to read:

1384 **63A-3-402. Infrastructure funds established -- Purpose of funds -- Use of money**
1385 **in funds.**

1386 (1) There are created, as enterprise revolving loan funds:

1387 (a) the inland port infrastructure revolving loan fund;

1388 (b) the point of the mountain infrastructure revolving loan fund; and

1389 (c) the military development infrastructure revolving loan fund.

1390 (2) The purpose of each infrastructure fund is to provide funding, through
1391 infrastructure loans, for infrastructure projects undertaken by a borrower.

1392 (3) (a) Money in an infrastructure fund may be used only to provide loans for
1393 infrastructure projects.

1394 (b) The division may not loan money in an infrastructure fund without the approval of
1395 the respective loan approval committee.

1396 Section 18. Section **63A-3-403** is enacted to read:

1397 **63A-3-403. Money in infrastructure funds.**

1398 (1) Money in each of the infrastructure funds shall be kept separate and accounted for
1399 separately from money in the other infrastructure funds.

1400 (2) Each infrastructure fund includes money:

1401 (a) appropriated to that fund by the Legislature;

1402 (b) transferred to the fund from the State Infrastructure Bank Fund created in Section
1403 [72-2-202](#), if applicable;

1404 (c) from federal, state, or other public grants or contributions;

1405 (d) that an independent political subdivision transfers to the fund from other money
1406 available to the independent political subdivision;

1407 (e) contributed or granted to the infrastructure fund from a private source; and

1408 (f) collected from repayments of loans of infrastructure fund money.

1409 (3) In addition to money identified in Subsection (2), the military development fund
1410 includes money repaid after May 5, 2021 from a loan under Subsection [63B-27-101\(3\)\(a\)](#).

1411 (4) (a) Each infrastructure fund shall earn interest.

1412 (b) All interest earned on infrastructure fund money shall be deposited into the
1413 respective infrastructure fund and included in the money of the infrastructure fund available to
1414 be loaned.

1415 (5) The state treasurer shall invest infrastructure fund money as provided in Title 51,
1416 Chapter 7, State Money Management Act.

1417 Section 19. Section **63A-3-404** is enacted to read:

1418 **63A-3-404. Loan agreement.**

1419 (1) (a) A borrower that borrows money from an infrastructure fund shall enter into a
1420 loan agreement with the division for repayment of the money.

- 1421 (b) (i) A loan agreement under Subsection (1)(a) shall be secured by:
1422 (A) bonds, notes, or another evidence of indebtedness validly issued under state law; or
1423 (B) revenue generated from an infrastructure project.
1424 (ii) The security provided under Subsection (1)(b)(i) may include the borrower's pledge
1425 of some or all of a revenue source that the borrower controls.
1426 (c) The respective loan approval committee may determine that property tax revenue or
1427 revenue from the infrastructure project for which the infrastructure loan is obtained is sufficient
1428 security for an infrastructure loan.
1429 (2) An infrastructure loan shall bear interest at a rate not to exceed .5% above bond
1430 market interest rates available to the state.
1431 (3) (a) Subject to Subsection (3)(b), the respective loan approval committee shall
1432 determine the length of term of an infrastructure loan.
1433 (b) If the security for an infrastructure loan is property tax revenue, the repayment
1434 terms of the infrastructure loan agreement shall allow sufficient time for the property tax
1435 revenue to generate sufficient money to cover payments under the infrastructure loan.
1436 (4) An infrastructure loan agreement may provide for a portion of the loan proceeds to
1437 be applied to a reserve fund to secure repayment of the infrastructure loan.
1438 (5) (a) If a borrower fails to comply with the terms of an infrastructure loan agreement,
1439 the division may:
1440 (i) seek any legal or equitable remedy to obtain:
1441 (A) compliance with the agreement; or
1442 (B) the payment of damages; and
1443 (ii) request a state agency with money due to the borrower to withhold payment of the
1444 money to the borrower and instead to pay the money to the division to pay any amount due
1445 under the infrastructure loan agreement.
1446 (b) A state agency that receives a request from the division under Subsection (5)(a)(ii)
1447 shall pay to the division the money due to the borrower to the extent of the amount due under
1448 the infrastructure loan agreement.
1449 (6) Upon approval from the respective loan approval committee, the division shall loan
1450 money from an infrastructure fund according to the terms established by the respective loan
1451 approval committee.

1452 (7) (a) The division shall administer and enforce an infrastructure loan according to the
1453 terms of the infrastructure loan agreement.

1454 (b) (i) Beginning May 5, 2021, the division shall assume responsibility from the State
1455 Infrastructure Bank Fund for servicing the loan under Subsection 63B-27-101(3)(a).

1456 (ii) Payments due after May 5, 2021 under the loan under Subsection 63B-27-101(3)(a)
1457 shall be made to the division rather than to the State Infrastructure Bank Fund, to be deposited
1458 into the military development fund.

1459 Section 20. Section **63H-1-102** is amended to read:

1460 **63H-1-102. Definitions.**

1461 As used in this chapter:

1462 (1) "Authority" means the Military Installation Development Authority, created under
1463 Section 63H-1-201.

1464 (2) "Base taxable value" means:

1465 (a) for military land or other land that was exempt from a property tax at the time that a
1466 project area was created that included the military land or other land, a taxable value of zero; or

1467 (b) for private property that is included in a project area, the taxable value of the
1468 property within any portion of the project area, as designated by board resolution, from which
1469 the property tax allocation will be collected, as shown upon the assessment roll last equalized:

1470 (i) before the year in which the authority creates the project area; or

1471 (ii) before the year in which the project area plan is amended, for property added to a
1472 project area by an amendment to a project area plan.

1473 (3) "Board" means the governing body of the authority created under Section
1474 63H-1-301.

1475 (4) (a) "Dedicated tax collections" means the property tax that remains after the
1476 authority is paid the property tax allocation the authority is entitled to receive under Subsection
1477 63H-1-501(1), for a property tax levied by:

1478 (i) a county, including a district the county has established under Subsection 17-34-3(2)
1479 to levy a property tax under Title 17, Chapter 34, Municipal-Type Services to Unincorporated
1480 Areas; or

1481 (ii) an included municipality.

1482 (b) "Dedicated tax collections" does not include a county additional property tax or

1483 multicounty assessing and collecting levy imposed in accordance with Section 59-2-1602.

1484 (5) (a) "Development" means an activity occurring:

1485 (i) on land within a project area that is owned or operated by the military, the authority,
1486 another public entity, or a private entity; or

1487 (ii) on military land associated with a project area.

1488 (b) "Development" includes the demolition, construction, reconstruction, modification,
1489 expansion, or improvement of a building, facility, utility, landscape, parking lot, park, trail, or
1490 recreational amenity.

1491 (6) "Development project" means a project to develop land within a project area.

1492 (7) "Elected member" means a member of the authority board who:

1493 (a) is a mayor or member of a legislative body appointed under Subsection

1494 63H-1-302(2)(b); or

1495 (b) (i) is appointed to the authority board under Subsection 63H-1-302(2)(a) or (3); and

1496 (ii) concurrently serves in an elected state, county, or municipal office.

1497 (8) "Included municipality" means a municipality, some or all of which is included
1498 within a project area.

1499 (9) (a) "Military" means a branch of the armed forces of the United States, including
1500 the Utah National Guard.

1501 (b) "Military" includes, in relation to property, property that is occupied by the military
1502 and is owned by the government of the United States or the state.

1503 (10) "Military Installation Development Authority accommodations tax" or "MIDA
1504 accommodations tax" means the tax imposed under Section 63H-1-205.

1505 (11) "Military Installation Development Authority energy tax" or "MIDA energy tax"
1506 means the tax levied under Section 63H-1-204.

1507 (12) "Military land" means land or a facility, including leased land or a leased facility,
1508 that is part of or affiliated with a base, camp, post, station, yard, center, or installation under the
1509 jurisdiction of the United States Department of Defense, the United States Department of
1510 Veterans Affairs, or the Utah National Guard.

1511 (13) "Municipal energy tax" means a municipal energy sales and use tax under Title
1512 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act.

1513 (14) "Municipal services revenue" means revenue that the authority:

- 1514 (a) collects from the authority's:
- 1515 (i) levy of a municipal energy tax;
- 1516 (ii) levy of a MIDA energy tax;
- 1517 (iii) levy of a telecommunications tax;
- 1518 (iv) imposition of a transient room tax; and
- 1519 (v) imposition of a resort communities tax;
- 1520 (b) receives under Subsection 59-12-205(2)(b)(ii); and
- 1521 (c) receives as dedicated tax collections.
- 1522 (15) "Municipal tax" means a municipal energy tax, MIDA energy tax, MIDA
- 1523 accommodations tax, telecommunications tax, transient room tax, or resort communities tax.
- 1524 (16) "Project area" means the land, including military land, whether consisting of a
- 1525 single contiguous area or multiple noncontiguous areas, described in a project area plan or draft
- 1526 project area plan, where the development project set forth in the project area plan or draft
- 1527 project area plan takes place or is proposed to take place.
- 1528 (17) "Project area budget" means a multiyear projection of annual or cumulative
- 1529 revenues and expenses and other fiscal matters pertaining to a project area that includes:
- 1530 (a) the base taxable value of property in the project area;
- 1531 (b) the projected property tax allocation expected to be generated within the project
- 1532 area;
- 1533 (c) the amount of the property tax allocation expected to be shared with other taxing
- 1534 entities;
- 1535 (d) the amount of the property tax allocation expected to be used to implement the
- 1536 project area plan, including the estimated amount of the property tax allocation to be used for
- 1537 land acquisition, public improvements, infrastructure improvements, and loans, grants, or other
- 1538 incentives to private and public entities;
- 1539 (e) the property tax allocation expected to be used to cover the cost of administering
- 1540 the project area plan;
- 1541 (f) if the property tax allocation is to be collected at different times or from different
- 1542 portions of the project area, or both:
- 1543 (i) (A) the tax identification numbers of the parcels from which the property tax
- 1544 allocation will be collected; or

1545 (B) a legal description of the portion of the project area from which the property tax
1546 allocation will be collected; and

1547 (ii) an estimate of when other portions of the project area will become subject to
1548 collection of the property tax allocation; and

1549 (g) for property that the authority owns or leases and expects to sell or sublease, the
1550 expected total cost of the property to the authority and the expected selling price or lease
1551 payments.

1552 (18) "Project area plan" means a written plan that, after the plan's effective date, guides
1553 and controls the development within a project area.

1554 (19) (a) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4,
1555 Privilege Tax, except as described in Subsection (19)(b), and each levy on an ad valorem basis
1556 on tangible or intangible personal or real property.

1557 (b) "Property tax" does not include a privilege tax on the taxable value:

1558 (i) attributable to a portion of a facility leased to the military for a calendar year when:

1559 (A) a lessee of military land has constructed a facility on the military land that is part of
1560 a project area;

1561 (B) the lessee leases space in the facility to the military for the entire calendar year; and

1562 (C) the lease rate paid by the military for the space is \$1 or less for the entire calendar
1563 year, not including any common charges that are reimbursements for actual expenses; or

1564 (ii) of the following property owned by the authority, regardless of whether the
1565 authority enters into a long-term operating agreement with a privately owned entity under
1566 which the privately owned entity agrees to operate the property:

1567 (A) a hotel;

1568 (B) a hotel condominium unit in a condominium project, as defined in Section 57-8-3;
1569 and

1570 (C) a commercial condominium unit in a condominium project, as defined in Section
1571 57-8-3.

1572 (20) "Property tax allocation" means the difference between:

1573 (a) the amount of property tax revenues generated each tax year by all taxing entities
1574 from the area within a project area designated in the project area plan as the area from which
1575 the property tax allocation is to be collected, using the current assessed value of the property;

1576 and

1577 (b) the amount of property tax revenues that would be generated from that same area
1578 using the base taxable value of the property.

1579 (21) "Public entity" means:

1580 (a) the state, including each department or agency of the state; or

1581 (b) a political subdivision of the state, including a county, city, town, school district,
1582 local district, special service district, or interlocal cooperation entity, including the authority.

1583 (22) (a) [~~"Publicly owned"~~] "Public infrastructure and improvements" means

1584 infrastructure, improvements, facilities, or buildings that:

1585 (i) benefit the public, the authority, the military, or military-related entities [~~and are~~];

1586 and

1587 [(~~ii~~)] (ii) (A) are publicly owned by the military, the authority, a public infrastructure
1588 district under Title 17B, Chapter 2a, Part 12, Public Infrastructure District Act, or another
1589 public entity;

1590 [(~~iii~~)] (B) are owned by a utility; or

1591 [(~~iii~~)] (C) are publicly maintained or operated by the military, the authority, or another
1592 public entity.

1593 (b) "Public infrastructure and improvements" also means infrastructure, improvements,
1594 facilities, or buildings that:

1595 (i) are privately owned; and

1596 (ii) provide a substantial benefit, as determined by the board, to the development and
1597 operation of a project area.

1598 [(~~b~~)] (c) [~~"Publicly owned"~~] "Public infrastructure and improvements" includes:

1599 (i) facilities, lines, or systems that harness geothermal energy or provide water, chilled
1600 water, steam, sewer, storm drainage, natural gas, electricity, or telecommunications;

1601 (ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking
1602 facilities, public transportation facilities, and parks, trails, and other recreational facilities;

1603 (iii) snowmaking equipment and related improvements that can also be used for water
1604 storage or fire suppression purposes; and

1605 (iv) a building and related improvements for occupancy by the public, the authority, the
1606 military, or military-related entities.

1607 (23) "Remaining municipal services revenue" means municipal services revenue that
1608 the authority has not:

1609 (a) spent during the authority's fiscal year for municipal services as provided in
1610 Subsection [63H-1-503\(1\)](#); or

1611 (b) redirected to use in accordance with Subsection [63H-1-502\(3\)](#).

1612 (24) "Resort communities tax" means a sales and use tax imposed under Section
1613 [59-12-401](#).

1614 (25) "Taxable value" means the value of property as shown on the last equalized
1615 assessment roll.

1616 (26) "Taxing entity":

1617 (a) means a public entity that levies a tax on property within a project area; and

1618 (b) does not include a public infrastructure district that the authority creates under Title
1619 17B, Chapter 2a, Part 12, Public Infrastructure District Act.

1620 (27) "Telecommunications tax" means a telecommunications license tax under Title
1621 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act.

1622 (28) "Transient room tax" means a tax under Section [59-12-352](#).

1623 Section 21. Section **63H-1-104** is enacted to read:

1624 **63H-1-104. Loan approval committee -- Approval of infrastructure loans.**

1625 (1) As used in this section:

1626 (a) "Borrower" means the same as that term is defined in Section [63A-3-401.5](#).

1627 (b) "Infrastructure loan" means the same as that term is defined in Section
1628 [63A-3-401.5](#).

1629 (c) "Infrastructure project" means the same as that term is defined in Section
1630 [63A-3-401.5](#).

1631 (d) "Military development fund" means the same as that term is defined in Section
1632 [63A-3-401.5](#).

1633 (e) "Loan approval committee" means a committee consisting of:

1634 (i) the board member who is appointed by the governor under Subsection
1635 [63H-1-302\(2\)\(a\)](#);

1636 (ii) the board member who is appointed by the governor under Subsection
1637 [63H-1-302\(2\)\(c\)](#);

1638 (iii) the board members who are appointed by the president of the Senate and the
1639 speaker of the House of Representatives under Subsection [63H-1-302\(3\)](#); and

1640 (iv) a voting or nonvoting board member designated by the board.

1641 (2) The loan approval committee may approve an infrastructure loan from the military
1642 development fund to a borrower for an infrastructure project undertaken by the borrower.

1643 (3) The loan approval committee shall establish the terms of an infrastructure loan in
1644 accordance with Section [63A-3-404](#).

1645 (4) The loan approval committee may establish policies and guidelines with respect to
1646 prioritizing requests for infrastructure loans and approving infrastructure loans.

1647 (5) Beginning May 5, 2021, the loan approval committee shall assume jurisdiction
1648 from the State Infrastructure Bank Fund relating to the terms of a loan under Subsection
1649 [63B-27-101\(3\)\(a\)](#).

1650 (6) Within 60 days after the execution of an infrastructure loan, the loan approval
1651 committee shall report the infrastructure loan, including the loan amount, terms, and security,
1652 to the Executive Appropriations Committee.

1653 (7) (a) A meeting of the loan approval committee does not constitute a meeting of the
1654 board, even if a quorum of the board is present at a loan approval committee meeting.

1655 (b) A quorum of board members present at a meeting of the loan approval committee
1656 may not conduct board business at the loan approval committee meeting.

1657 (8) (a) Salaries and expenses of committee members who are legislators shall be paid
1658 in accordance with Section [36-2-2](#) and Legislative Joint Rules, Title 5, Chapter 3, Legislator
1659 Compensation.

1660 (b) A committee member who is not a legislator may not receive compensation or
1661 benefits for the member's service on the committee, but may receive per diem and
1662 reimbursement for travel expenses incurred as a committee member at the rates established by
1663 the Division of Finance under:

1664 (i) Sections [63A-3-106](#) and [63A-3-107](#); and

1665 (ii) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and
1666 [63A-3-107](#).