

**LIMITED-USE INFRASTRUCTURE DISTRICT**

**AMENDMENTS**

2023 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: James A. Dunnigan**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill authorizes the creation of limited-use infrastructure districts.

**Highlighted Provisions:**

This bill:

- ▶ creates the Limited-Use Infrastructure District Act;
- ▶ authorizes the creation of a limited-use infrastructure district which:
  - may issue assessment bonds and energy assessment bonds;
  - may enter into interlocal agreements;
  - may impose fees, assessments, and levy property tax;
  - has the authority to acquire completed or partially completed improvements;

and

- is subject to the Government Records Access and Management Act and the Municipal and County Land Use, Development, and Management Acts;
  - ▶ establishes the process to initiate the creation of a limited-use infrastructure district;
  - ▶ provides for the criteria of the governing documents relating to a limited-use infrastructure district;
  - ▶ provides the process of certification and incorporation of a limited-use infrastructure district;
  - ▶ provides that a limited-use infrastructure district is a political subdivision of the



28 state; and

29       ▶ establishes the creation and duties of a limited-use infrastructure district board.

30 **Money Appropriated in this Bill:**

31       None

32 **Other Special Clauses:**

33       None

34 **Utah Code Sections Affected:**

35 AMENDS:

36       **17B-1-1303**, as last amended by Laws of Utah 2017, Chapter 248

37 ENACTS:

38       **17D-5-101**, Utah Code Annotated 1953

39       **17D-5-102**, Utah Code Annotated 1953

40       **17D-5-201**, Utah Code Annotated 1953

41       **17D-5-202**, Utah Code Annotated 1953

42       **17D-5-203**, Utah Code Annotated 1953

43       **17D-5-204**, Utah Code Annotated 1953

44       **17D-5-205**, Utah Code Annotated 1953

45       **17D-5-206**, Utah Code Annotated 1953

46       **17D-5-207**, Utah Code Annotated 1953

47       **17D-5-208**, Utah Code Annotated 1953

48       **17D-5-301**, Utah Code Annotated 1953

49       **17D-5-302**, Utah Code Annotated 1953

50       **17D-5-303**, Utah Code Annotated 1953

51       **17D-5-304**, Utah Code Annotated 1953

52       **17D-5-305**, Utah Code Annotated 1953

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

55       Section 1. Section **17B-1-1303** is amended to read:

56       **17B-1-1303. Initiation of dissolution process.**

57       The process to dissolve a local district may be initiated by:

58       (1) for an inactive local district:

59 (a) (i) for a local district whose board of trustees is elected by electors based on the  
60 acre-feet of water allotted to the land owned by the elector, a petition signed by the owners of  
61 25% of the acre-feet of water allotted to the land within the local district; or

62 (ii) for all other districts:

63 (A) a petition signed by the owners of private real property that:

64 (I) is located within the local district proposed to be dissolved;

65 (II) covers at least 25% of the private land area within the local district; and

66 (III) is equal in assessed value to at least 25% of the assessed value of all private real  
67 property within the local district; or

68 (B) a petition signed by registered voters residing within the local district proposed to  
69 be dissolved equal in number to at least 25% of the number of votes cast in the district for the  
70 office of governor at the last regular general election before the filing of the petition; or

71 (b) a resolution adopted by the administrative body; and

72 (2) for an active local district[;]:

73 (a) a petition signed by:

74 [(a)] (i) for a local district whose board of trustees is elected by electors based on the  
75 acre-feet of water allotted to the land owned by the elector, the owners of 33% of the acre-feet  
76 of water allotted to the land within the local district;

77 [(b)] (ii) for a local district created to acquire or assess a groundwater right for the  
78 development and execution of a groundwater management plan in coordination with the state  
79 engineer in accordance with Section 73-5-15, the owners of groundwater rights that:

80 [(+)] (A) are diverted within the district; and

81 [(+)] (B) cover at least 33% of the total amount of groundwater diverted in accordance  
82 with the groundwater rights within the district as a whole; [or]

83 (b) for a limited-use infrastructure district where all debts of the limited-use  
84 infrastructure district have been repaid, a resolution adopted by the board of trustees; or

85 (c) for all other districts:

86 (i) the owners of private real property that:

87 (A) is located within the local district proposed to be dissolved;

88 (B) covers at least 33% of the private land area within the local district; and

89 (C) is equal in assessed value to at least 25% of the assessed value of all private real

90 property within the local district; or

91 (ii) 33% of registered voters residing within the local district proposed to be dissolved.

92 Section 2. Section 17D-5-101 is enacted to read:

93 **CHAPTER 5. LIMITED-USE INFRASTRUCTURE DISTRICT ACT**

94 **Part 1. General Provisions**

95 **17D-5-101. Definitions.**

96 As used in this chapter:

97 (1) "Assessment bond" means the same as that term is defined in Section [11-42-102](#).

98 (2) "Board" means the board of trustees of a limited-use infrastructure district.

99 (3) "Division" means a division of a limited-use infrastructure district:

100 (a) that is relatively equal in number of eligible voters or potential eligible voters to all  
101 other divisions within the limited-use infrastructure district, taking into account existing or  
102 potential developments which, when completed, would increase or decrease the population  
103 within the limited-use infrastructure district; and

104 (b) that a member of the board represents.

105 (4) "Governing document" means the document governing a limited-use infrastructure  
106 district that:

107 (a) is submitted with the petition described in Section [17D-5-202](#);

108 (b) may be amended from time to time in accordance with Section [17D-5-202](#);

109 (c) is subject to the limitations of Title 17B, Chapter 1, Provisions Applicable to All  
110 Local Districts, and this chapter; and

111 (d) complies with Section [17D-5-205](#).

112 (5) "Responsible clerk" means the same as that term is defined in Section [17B-1-201](#).

113 Section 3. Section 17D-5-102 is enacted to read:

114 **17D-5-102. Provisions applicable to limited-use infrastructure districts.**

115 (1) Each limited-use infrastructure district is governed by and has the powers stated in:

116 (a) this chapter; and

117 (b) Title 17B, Chapter 1, Provisions Applicable to All Local Districts.

118 (2) This chapter applies only to a limited-use infrastructure district.

119 (3) Except as modified or exempted by this chapter, a limited-use infrastructure district  
120 is, to the same extent as if the limited-use infrastructure district were a local district, subject to

121 the provisions in:

122 (a) Title 11, Chapter 42a, Commercial Property Assessed Clean Energy Act;

123 (b) Title 17B, Chapter 1, Provisions Applicable to All Local Districts; and

124 (c) Title 20A, Election Code.

125 (4) As applied to limited-use infrastructure districts, if there is a conflict between a

126 provision in Title 17B, Chapter 1, Provisions Applicable to All Local Districts, and a provision

127 of this chapter, the provision in this chapter supersedes the conflicting provision in Title 17B,

128 Chapter 1, Provisions Applicable to All Local Districts.

129 (5) The annexation of an unincorporated area of a county by a municipality, or the

130 adjustment of a boundary shared by more than one municipality, does not affect the boundaries

131 of a limited-use infrastructure district.

132 Section 4. Section **17D-5-201** is enacted to read:

133 **Part 2. Creation, Governance, and Powers of a Limited-use Infrastructure District**

134 **17D-5-201. Process to initiate the creation of a limited-use infrastructure district.**

135 (1) A person may initiate the creation of a limited-use infrastructure district by filing a  
136 petition with the responsible clerk that contains:

137 (a) if there are any registered voters within the applicable area, the signatures of 100%  
138 of registered voters within the applicable area approving the creation of the limited-use

139 infrastructure district; and

140 (b) the signatures of 100% of surface property owners, within the applicable area,  
141 consenting to the creation of the limited-use infrastructure district.

142 (2) Each petition under Subsection (1) shall:

143 (a) designate up to five signers of the petition as sponsors, one of whom shall be  
144 designated as the contact sponsor, with each sponsor's mailing address and telephone number;

145 (b) describe the area proposed to be included in the proposed limited-use infrastructure  
146 district;

147 (c) be accompanied by a plat map that:

148 (i) shows the boundaries of the proposed limited-use infrastructure district;

149 (ii) is prepared by a licensed surveyor; and

150 (iii) is signed by all sponsors under Subsection (2)(a) and the county surveyor;

151 (d) state the number of members that the board of trustees of the proposed limited-use

152 infrastructure district will have, in accordance with the requirements of Subsection  
153 17B-1-302(4), and the name and address of each of the proposed board members;  
154 (e) include the typed or printed name and current primary residential address of each  
155 property owner and registered voter signing the petition;  
156 (f) group the signatures into these separate groups:  
157 (i) the owners of real property located in an unincorporated area of the county;  
158 (ii) the owners of real property located in a municipality;  
159 (iii) the registered voters residing in an unincorporated area of the county; and  
160 (iv) the registered voters residing in a municipality;  
161 (g) state the name of the proposed limited-use infrastructure district, in accordance  
162 with Section 17B-1-105, which shall include the words "limited-use infrastructure district"; and  
163 (h) include the proposed governing document described in Subsection 17D-3-101(4).  
164 (3) At any time before the certification of the petition, a signer of a petition may  
165 withdraw or, once withdrawn, reinstate the signer's signature, by filing a written withdrawal or  
166 reinstatement with the responsible clerk.  
167 (4) Except as provided in this chapter, Title 17B, Chapter 1, Part 2, Creation of a Local  
168 District, does not apply to the creation of a limited-use infrastructure district.  
169 Section 5. Section **17D-5-202** is enacted to read:  
170 **17D-5-202. Petition certification -- Amended petition.**  
171 (1) (a) No later than five days after the day on which a petition under Section  
172 17D-5-201 is filed, the responsible clerk shall mail a copy of the petition to:  
173 (i) the clerk of each other county in which any part of the proposed local district is  
174 located; and  
175 (ii) the clerk or recorder of each municipality in which any part of the proposed local  
176 district is located.  
177 (2) (a) No later than 35 days after the day on which a petition is filed, the clerk of each  
178 county of which unincorporated area is within the proposed local district, and the clerk or  
179 recorder of each municipality that has boundaries in the proposed local district, shall:  
180 (i) with the assistance of other county or municipal officers from whom the county  
181 clerk or municipal clerk or recorder requests assistance, determine, for the clerk's or recorder's  
182 respective county or municipality, whether the petition complies with the requirements of

183 Section 17D-5-201; and

184 (ii) notify the responsible clerk in writing of the respective clerk's or recorder's  
185 determination under Subsection (2)(a)(i).

186 (b) The responsible clerk may rely on the determination of the county clerk or the  
187 municipal clerk or recorder under Subsection (2)(a) in making the responsible clerk's  
188 determination and certification or rejection under Subsection (3).

189 (3) Within 45 days after the filing of a petition, the responsible clerk shall:

190 (a) determine whether the petition complies with Section 17D-5-201; and

191 (b) (i) if the responsible clerk determines that the petition complies with the  
192 requirements under Section 17D-5-201:

193 (A) certify the petition and deliver the certified petition to the contact sponsor;

194 (B) deliver a copy of the certified petition to the county clerk of each county of which  
195 unincorporated area includes any of the area of the proposed limited-use infrastructure district,  
196 with a notice indicating that the responsible clerk has determined that the petition complies  
197 with applicable requirements;

198 (C) deliver a copy of the certified petition to the municipal clerk or recorder of each  
199 municipality of which boundaries include any of the area of the proposed limited-use  
200 infrastructure district, with a notice indicating that the responsible clerk has determined that the  
201 petition complies with applicable requirements; and

202 (D) deliver a copy of the certified petition to the legislative body of each county of  
203 which unincorporated area includes, and to the legislative body of each municipality of which  
204 boundaries include, any of the proposed limited-use infrastructure district; or

205 (ii) if the responsible clerk determines that the petition fails to comply with any of the  
206 applicable requirements, reject the petition and notify the contact sponsor in writing of the  
207 rejection and the reasons for the rejection.

208 (4) If the responsible clerk fails to certify or reject a petition within 45 days after its  
209 filing, the petition shall be considered certified.

210 (5) The responsible clerk shall certify or reject petitions in the order in which they are  
211 filed.

212 (6) (a) If the responsible clerk rejects a petition under Subsection (3), the sponsors  
213 may:

214 (i) amend the petition to correct the reasons for the rejection identified under  
215 Subsection (3)(b)(ii); and

216 (ii) file an amended petition.

217 (b) A valid signature on a petition that was rejected under Subsection (3)(b)(ii) may be  
218 used toward fulfilling the applicable signature requirement of the petition as amended under  
219 Subsection (6)(a).

220 (c) If an amended petition is filed under Subsection (6)(a)(ii), the amended petition is a  
221 newly filed petition and shall be processed, in accordance with Subsection (5), based on the  
222 date on which the amended petition is filed.

223 (7) The responsible clerk and each county clerk and municipal clerk or recorder shall  
224 act in good faith in making the determinations under this section.

225 Section 6. Section **17D-5-203** is enacted to read:

226 **17D-5-203. Notice and plat to lieutenant governor -- Certificate of incorporation --**  
227 **Recording requirements -- Effective date.**

228 (1) (a) Within the time specified in Subsection (1)(b), the contact sponsor shall file  
229 with the lieutenant governor:

230 (i) a copy of the certified petition that the responsible clerk delivered under Subsection  
231 17D-5-202(3)(b);

232 (ii) a copy of a notice of an impending boundary action, as defined in Section  
233 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3), except that the notice shall  
234 be signed and verified by the petition sponsors as the approving authority; and

235 (iii) a copy of an approved final local entity plat, as defined in Section 17-23-20, except  
236 that the final local entity plat shall be signed by the petition sponsors as the approving  
237 authority.

238 (b) The contact sponsor shall file the documents listed in Subsection (1)(a) with the  
239 lieutenant governor within 10 days after the day on which the certification of a petition under  
240 Subsection 17D-5-202(3)(b)(i)(A) is delivered.

241 (2) Upon the lieutenant governor's issuance of a certificate of incorporation under  
242 Section 67-1a-6.5, the contact sponsor shall:

243 (a) if the limited-use infrastructure district is located within the boundary of a single  
244 county, submit to the recorder of that county the original:



245 (i) notice of an impending boundary action;

246 (ii) certificate of incorporation; and

247 (iii) approved final local entity plat; or

248 (b) if the limited-use infrastructure district is located within the boundaries of more

249 than one county:

250 (i) submit to the recorder of one of those counties the original of the documents listed  
251 in Subsections (2)(a)(i) through (iii); and

252 (ii) submit to the recorder of each other county a certified copy of the documents listed  
253 in Subsections (2)(a)(i) through (iii).

254 (3) (a) Upon the lieutenant governor's issuance of the certificate of incorporation under  
255 Section [67-1a-6.5](#), the limited-use infrastructure district is created and incorporated.

256 (b) Until the documents listed in Subsection (2) are recorded in the office of the  
257 recorder of each county in which the property is located, a newly incorporated limited-use  
258 infrastructure district may not:

259 (i) issue an assessment bond;

260 (ii) levy or collect a property tax; or

261 (iii) make or collect an assessment.

262 (4) (a) A limited-use infrastructure district is a political subdivision of the state,  
263 separate and distinct from other political subdivisions, including counties, municipalities, or  
264 districts within which the limited-use infrastructure's boundaries may be located.

265 (b) (i) Except as provided in Subsection (5)(b)(ii), any financial burden of a limited-use  
266 infrastructure district:

267 (A) is the sole financial burden and obligation of the limited-use infrastructure district;

268 and

269 (B) is not the financial burden or obligation of the state or of any municipality, county,  
270 or other political subdivision.

271 (ii) Notwithstanding Subsection (5)(b)(i) and Section [17B-1-216](#):

272 (A) the petition sponsors shall bear the costs of formation of the limited-use  
273 infrastructure district; and

274 (B) the limited-use infrastructure district may reimburse the petition sponsors for the  
275 costs of formation that they incurred.

276 (c) Any liability, judgment, or claim against a limited-use infrastructure district:  
277 (i) is the sole responsibility and obligation of the limited-use infrastructure district; and  
278 (ii) does not constitute a liability, judgment, or claim against the state or against any  
279 municipality, county, or other political subdivision.

280 (d) (i) (A) The limited-use infrastructure district solely bears the responsibility and  
281 obligation of any collection, enforcement, or foreclosure proceeding regarding any tax, fee, or  
282 assessment that the limited-use infrastructure district imposes.

283 (B) No other political subdivision bears the responsibility or obligation described in  
284 Subsection (5)(d)(i)(A).

285 (ii) A limited-use infrastructure district shall undertake the responsibilities and  
286 obligations described in Subsection (5)(d)(i)(A) in accordance with Title 11, Chapter 42,  
287 Assessment Area Act.

288 Section 7. Section **17D-5-204** is enacted to read:

289 **17D-5-204. Annexation or withdrawal of property.**

290 (1) (a) Notwithstanding Title 17B, Chapter 1, Part 4, Annexation, an area outside of the  
291 boundaries of a limited-use infrastructure district may be annexed into the limited-use  
292 infrastructure district if:

293 (i) the board adopts a resolution approving of the annexation;

294 (ii) if there are any registered voters within the area proposed to be annexed, a petition  
295 is filed with the board, containing the signatures of 100% of the registered voters residing  
296 within the area proposed to be annexed, and demonstrating that the registered voters consent to  
297 the annexation into the limited-use infrastructure district; and

298 (iii) a petition is filed with the board, containing the signatures of 100% of the owners  
299 of surface property within the area proposed to be annexed, and demonstrating that the surface  
300 property owners consent to the annexation into the limited-use infrastructure district.

301 (b) Within 30 days after the day on which the resolution is adopted under Subsection  
302 (1)(a)(i), the board shall file with the lieutenant governor:

303 (i) a copy of a notice of impending boundary action, as defined in Section [67-1a-6.5](#),  
304 that meets the requirements of Subsection [67-1a-6.5\(3\)](#); and

305 (ii) a copy of an approved final local entity plat, as defined in Section [67-1a-6.5](#).

306 (2) (a) Notwithstanding Title 17B, Chapter 1, Part 5, Withdrawal, property may be

307 withdrawn from a limited-use infrastructure district if:

308 (i) the board adopts a resolution approving the withdrawal; and

309 (ii) if there are any registered voters within the area proposed to be withdrawn, a  
310 petition is filed with the board containing the signatures of 100% of the registered voters within  
311 the area and demonstrating that the registered voters consent to the withdrawal from the  
312 limited-use infrastructure district; and

313 (iii) a petition is filed with the board, containing the signatures of 100% of surface  
314 property owners within the area proposed to be withdrawn and demonstrating that the surface  
315 property owners consent to the withdrawal from the limited-use infrastructure district.

316 (b) If any bonds that the limited-use infrastructure district has issued are allocable to  
317 the property area to be withdrawn and remain unpaid at the time of the proposed withdrawal,  
318 the property area remains subject to any taxes, fees, or assessments that the limited-use  
319 infrastructure district imposes, until the bonds and any associated refunding bonds are paid.

320 (c) Within 30 days of the day on which the resolution is adopted under Subsection  
321 (3)(a)(i), the board shall file with the lieutenant governor:

322 (i) a copy of a notice of impending boundary action, as defined in Section [67-1a-6.5](#),  
323 that meets the requirements of Subsection [67-1a-6.5\(3\)](#); and

324 (ii) a copy of an approved final local entity plat, as defined in Section [67-1a-6.5](#).

325 Section 8. Section **17D-5-205** is enacted to read:

326 **17D-5-205. Limited-use infrastructure district board -- Governing document.**

327 (1) Upon incorporation under Section [17D-5-203](#), the board of a limited-use  
328 infrastructure district is established, in accordance with the governing document.

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

331 (b) Notwithstanding Subsection (2)(a) and as allowed under Subsection (2)(c),  
332 approximately half of the members of the initial board shall serve a six-year term so that, after  
333 the expiration of the initial term, the term of approximately half the board members expires  
334 every two years.

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

336 (d) After a board member's initial term, the term of each member of the board is four  
337 years.

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

340 (i) all of the surface property owners consent to the waiver of the residency  
341 requirement;

342 (ii) no individuals reside within the boundaries of the limited-use infrastructure district;

343 (iii) no qualified individual timely files to be considered for appointment to the board;

344 or

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

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

351 (c) An individual who is not a resident within the boundaries of the limited-use  
352 infrastructure district may not serve as a board member unless the individual is:

353 (i) an owner of land or an agent or officer of the owner of land within the boundaries of  
354 the limited-use infrastructure district; and

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

356 (d) The board may appoint a replacement to fill any vacant seat on the board in  
357 accordance with the procedure in Subsection 20A-1-512(1)(b), unless there are no residents  
358 within the boundaries of the limited-use infrastructure district, in which case the notice  
359 requirements under Subsection 20A-1-512(1)(b)(i) do not apply.

360 (e) If the board fails to appoint an individual to fill a vacancy and complete an elected  
361 board member's term within 90 days, the legislative body of the county or municipality whose  
362 boundaries contain the largest portion of the limited-use infrastructure district may elect to fill  
363 the vacancy in accordance with the procedure for a local district described in Subsection  
364 20A-1-512(1)(b).

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

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

368 (i) before any appointment or election; and

369 (ii) upon any significant change in the business relationship; and  
370 (b) conducts the affairs of the limited-use infrastructure district in accordance with this  
371 title and any parameters described in the governing document.

372 (5) (a) A governing document may provide for a transition from an appointment by a  
373 legislative body to an election by registered voters, based upon milestones or events that the  
374 governing document identifies, including a milestone for each division or individual board  
375 position, if, when the milestone is reached:

376 (i) for a division, the registered voters of the division elect a member of the board to  
377 replace an appointed member of the board at the next municipal general election for the board  
378 position; or

379 (ii) for an at-large board position established in the governing document, the registered  
380 voters of the limited-use infrastructure district elect a member of the board to replace an  
381 appointed member of the board at the next municipal general election for the board position.

382 (b) Regardless of whether a board member is elected under Subsection (4)(a), the  
383 position of each remaining board member shall continue until the member's respective division  
384 or board position surpasses the density milestone described in the governing document.

385 (6) (a) The board may, at the board's discretion but no more frequently than every four  
386 years, reestablish the boundaries of each division so that each division that has reached a  
387 milestone specified in the governing document, as described in Subsection (4)(a), has, as nearly  
388 as possible, the same number of eligible voters.

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

392 (7) A limited-use infrastructure district may not compensate a board member for the  
393 member's service on the board, as provided in Section [17B-1-307](#), unless the board member is  
394 a resident within the boundaries of the limited-use infrastructure district.

395 (8) A governing document shall:

396 (a) include a boundary description and a map of the limited-use infrastructure district;

397 (b) state the number of board members and identify any applicable milestone or  
398 triggers related to board members' terms;

399 (c) include a list of the proposed improvements allowed under Subsection

400 [17D-5-206\(2\)\(a\)](#);

401 (d) contain a limitation on revenue sources consistent with this chapter;

402 (e) prohibit the levy of a property tax exceeding the rate set forth in Subsection

403 [17D-5-303\(1\)](#);

404 (f) include a description and documentation of approved zoning consistent with the list  
405 of proposed improvements in Subsection (8)(c):

406 (i) from a municipality when the proposed improvement is located within a  
407 municipality; or

408 (ii) from a county when the proposed improvement is located within an unincorporated  
409 portion of a county;

410 (g) if a development agreement has been approved within the boundaries of the  
411 limited-use infrastructure district, a copy of the approved development agreement; and

412 (h) include other information that the petition sponsors or limited-use infrastructure  
413 district board determines to be necessary or advisable.

414 (9) The board may amend a governing document by adopting a resolution that  
415 approves the amended governing document.

416 Section 9. Section **17D-5-206** is enacted to read:

417 **17D-5-206. Limited-use infrastructure district powers.**

418 (1) (a) Except as provided in Subsection (1)(b), a limited-use infrastructure district  
419 shall have all of the authority conferred upon a local district under Section [17B-1-103](#).

420 (b) (i) The power to issue bonds under Subsection [17B-1-103\(2\)\(f\)](#) shall be limited to  
421 assessment bonds under Title 11, Chapter 42, Assessment Area Act, and energy assessment  
422 bonds under Title 11, Chapter 42a, Commercial Property Assessed Clean Energy Act.

423 (ii) The power to levy and collect property taxes shall be limited as set forth in Section  
424 [17D-5-303](#).

425 (iii) The power of eminent domain described in Subsection [17B-1-103\(2\)\(h\)](#) does not  
426 apply to a limited-use infrastructure district.

427 (2) In addition to the authority conferred under Subsection (1), a limited-use  
428 infrastructure district may:

429 (a) issue assessment bonds to pay for:

430 (i) all or part of the costs of acquiring, acquiring an interest in, improving, or extending

431 any of the improvements, facilities, or property allowed under Section 11-14-103;  
432 (ii) public improvements related to the provision of housing; and  
433 (iii) capital costs related to public transportation;  
434 (b) enter into an interlocal agreement in accordance with Title 11, Chapter 13,  
435 Interlocal Cooperation Act, provided that the interlocal agreement may not expand the powers  
436 of the limited-use infrastructure district, within the limitations of Title 11, Chapter 13,  
437 Interlocal Cooperation Act;  
438 (c) acquire completed or partially completed improvements for fair market value as  
439 reasonably determined by:  
440 (i) the board; or  
441 (ii) a surveyor or engineer that a limited-use infrastructure district employs or engages  
442 to perform the necessary engineering services for and to supervise the construction or  
443 installation of the improvements; and  
444 (d) contract with another public entity for that public entity to provide administrative  
445 services on behalf of the limited-use infrastructure district, when agreed to by both parties, in  
446 order to achieve cost savings and economic efficiencies, at the discretion of the other public  
447 entity.  
448 (3) A limited-use infrastructure district is subject to Title 63G, Chapter 2, Government  
449 Records Access and Management Act, and the limited-use infrastructure district's board and  
450 officers are subject to Title 52, Chapter 4, Open and Public Meetings Act.  
451 (4) Any improvements within a limited-use infrastructure district shall comply with  
452 Title 10, Chapter 9a, Municipal Land Use, Development, and Management Act, and Title 17,  
453 Chapter 27a, County Land Use, Development, and Management Act.  
454 Section 10. Section **17D-5-207** is enacted to read:  
455 **17D-5-207. Relation to other local entities.**  
456 (1) Notwithstanding the creation of a limited-use infrastructure district, any other  
457 public entity, as applicable, retains all of the entity's authority over all zoning, planning, design  
458 specifications and approvals, and permitting within the limited-use infrastructure district.  
459 (2) The inclusion of property within the boundaries of a limited-use infrastructure  
460 district does not preclude the inclusion of the property within any other local district.  
461 (3) (a) All infrastructure that is connected to another public entity's system:

462 (i) belongs to that public entity, regardless of inclusion within the boundaries of a  
463 limited-use infrastructure district, unless the limited-use infrastructure district and the public  
464 entity otherwise agree; and

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

467 (b) A limited-use infrastructure district shall convey or transfer the infrastructure  
468 described in Subsection (3)(a) free of liens or financial encumbrances to the public entity at no  
469 cost to the public entity.

470 Section 11. Section **17D-5-208** is enacted to read:

471 **17D-5-208. Dissolution.**

472 Upon issuance of all debt of a limited-use infrastructure district, the board shall adopt a  
473 resolution initiating the dissolution process under Section [17B-1-1303](#).

474 Section 12. Section **17D-5-301** is enacted to read:

475 **Part 3. Bond Issuance Fee Collection and Property Tax Levy Authority for a Limited-use**  
476 **Infrastructure District**

477 **17D-5-301. Limited-use infrastructure district bonds.**

478 (1) (a) Subject to Subsections (1)(b) through (d), a limited-use infrastructure district  
479 may issue negotiable bonds for the purposes described in Section [17D-4-203](#), as provided in, as  
480 applicable:

481 (i) Title 11, Chapter 14, Local Government Bonding Act;

482 (ii) Title 11, Chapter 27, Utah Refunding Bond Act;

483 (iii) Title 11, Chapter 42, Assessment Area Act; and

484 (iv) this section.

485 (b) An assessment bond issued by a limited-use infrastructure district must be:

486 (i) secured only by property and improvements within a limited-use infrastructure  
487 district; and

488 (ii) payable only from an assessment on each property within the limited-use  
489 infrastructure district, which assessment must be paid in full before the issuance of a building  
490 permit on such property.

491 (2) An assessment bond issued by a limited-use infrastructure district shall mature  
492 within 40 years after the date of issuance.



493 (3) The taxable value of the property securing an assessment bond under this Section  
494 shall, after completion of the proposed improvements, be at the least three times the amount of  
495 the assessments proposed to be levied against the unimproved property.

496 (4) A limited-use infrastructure district is not a municipal corporation for purposes of  
497 the debt limitation of Utah Constitution, Article XIV, Section 4.

498 (5) The board may, by resolution, delegate to one or more officers of the limited-use  
499 infrastructure district the authority to:

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

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

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

506 (6) (a) Any person may contest the legality of the issuance of a limited-use  
507 infrastructure district bond or any provisions for the security and payment of the bond for a  
508 period of 30 days after:

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

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

512 (b) After the 30-day period described in Subsection (6)(a), no person may bring a  
513 lawsuit or other proceeding contesting the regularity, formality, or legality of the bond for any  
514 reason.

515 (7) The period for commencing an action and serving a summons under Section  
516 11-42-106(2)(b)(i) for a designation resolution, assessment resolution, or amended resolution is  
517 30 days for a limited-use infrastructure district.

518 Section 13. Section **17D-5-302** is enacted to read:

519 **17D-5-302. Fees.**

520 (1) A limited-use infrastructure district may charge a fee or other charge for an  
521 administrative service that the limited-use infrastructure district provides, to pay some or all of  
522 the limited-use infrastructure district's:

523 (a) costs of acquiring, improving, or extending improvements, facilities, or property; or

524 (b) costs associated with the enforcement of a legal remedy.

525 (2) The fees described in Subsection (1) shall not exceed the reasonable costs of the  
526 administrative services described in Subsection (1).

527 Section 14. Section **17D-5-303** is enacted to read:

528 **17D-5-303. Limits on limited-use infrastructure district property tax levy -- Notice**  
529 **requirements.**

530 (1) The property tax levy of a limited-use infrastructure district, for all purposes,  
531 including administrative expenses of the district, may not exceed .0005 cents per dollar of  
532 taxable value of taxable property in the district.

533 (2) (a) Within 30 days after the day on which the lieutenant governor issues a  
534 certificate of incorporation under Section [67-1a-6.5](#), the board shall:

535 (i) record a notice with the recorder of the county in which property within the  
536 limited-use infrastructure district is located; and

537 (ii) file a copy of the notice under Subsection (2)(a)(i) with the State Tax Commission.

538 (b) The notice described in Subsection (2)(a) shall:

539 (i) contain a description of the boundaries of the limited-use infrastructure district;

540 (ii) state that a copy of the governing document is on file in the records of the recorder  
541 for the county or counties in which the limited-use infrastructure district is located;

542 (iii) state that the limited-use infrastructure district may repay infrastructure and other  
543 improvements through the levy of a property tax; and

544 (iv) state the maximum rate that the limited-use infrastructure district may levy.

545 Section 15. Section **17D-5-304** is enacted to read:

546 **17D-5-304. Property tax penalty for nonpayment.**

547 In the event of nonpayment of any tax, fee, or charge that a limited-use infrastructure  
548 district imposes, the limited-use infrastructure district may impose a property tax penalty at an  
549 annual rate up to .07 cents per dollar of taxable value of taxable property, in addition to any  
550 other lawful penalty for nonpayment of property tax.

551 Section 16. Section **17D-5-305** is enacted to read:

552 **17D-5-305. Action to contest tax, fee, or proceeding -- Requirements -- Exclusive**  
553 **remedy -- Bonds, taxes, and fees incontestable.**

554 (1) A person who contests a tax or fee imposed by a limited-use infrastructure district,

555 or who contests a proceeding to create a limited-use infrastructure district, levy a tax, or impose  
556 a fee, may bring a civil action against the limited-use infrastructure district or the creating  
557 entity to:

558 (a) set aside the proceeding; or

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

560 (2) The person bringing an action under Subsection (1):

561 (a) shall bring the action in a district court with jurisdiction in the county in which the  
562 limited-use infrastructure district is located; and

563 (b) may not bring the action against or serve a summons relating to the action on the  
564 limited-use infrastructure district more than 30 days after the effective date of the:

565 (i) creation of the limited-use infrastructure district, if the challenge is to the creation of  
566 the limited-use infrastructure district; or

567 (ii) levy of the tax or imposition of the fee, if the challenge is to a tax or fee.

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

569 (a) claims an error or irregularity in a tax or fee, or an error or irregularity in any  
570 proceeding to create a limited-use infrastructure district, levy a tax, or impose a fee; or

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

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

573 (a) a bond issued or to be issued with respect to a limited-use infrastructure district and  
574 any tax levied or fee imposed becomes incontestable against any person who has not brought  
575 an action and served a summons in accordance with this section;

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

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

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

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

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

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

585 (ii) The limitation in Subsection (5)(b)(i) does not prohibit the filing of criminal

586 charges against or the prosecution of a party for the misuse of funds.