

Representative James A. Dunnigan proposes the following substitute bill:

INFRASTRUCTURE FINANCING DISTRICTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: James A. Dunnigan

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

This bill enacts and modifies provisions related to infrastructure financing districts.

Highlighted Provisions:

This bill:

- ▶ authorizes the creation of a type of special district for the purpose of financing infrastructure;
- ▶ provides a process for the creation of an infrastructure financing district;
- ▶ provides for the powers and governance of an infrastructure financing district;
- ▶ authorizes an infrastructure financing district to impose an assessment on property within the district and to issue assessment bonds to finance infrastructure within the district;

⚡→ ▶ authorizes specified local entities to provide for a longer installment payment period for assessments imposed in an assessment area; ←⚡

- ▶ provides for the district to have bonding authority, with limitations;
- ▶ authorizes the district to levy a property tax;
- ▶ requires a district to provide proof to a county or municipality that an assessment bond has been paid in full on owner-occupied residential property before the county or municipality may issue a certificate of occupancy;
- ▶ provides for the annexation of an area to an infrastructure financing district, the withdrawal of an area from a district, and for dissolution of a district;

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- 26 ▶ authorizes sponsors of a petition to create an infrastructure financing district to
- 27 create a governing document with provisions that govern the district, including
- 28 providing for board membership and the transition from appointed board positions
- 29 to elected board positions; and
- 30 ▶ makes technical and conforming changes.

31 **Money Appropriated in this Bill:**

32 None

33 **Other Special Clauses:**

34 None

35 **Utah Code Sections Affected:**

36 AMENDS:

- 37 10-9a-509, as last amended by Laws of Utah 2023, Chapter 478
- 38 11-42-102, as last amended by Laws of Utah 2023, Chapter 16
- 39 11-42-106, as last amended by Laws of Utah 2021, Chapters 314, 415
- 40 11-42-201, as last amended by Laws of Utah 2021, Chapter 314
- 41 11-42-202, as last amended by Laws of Utah 2023, Chapter 435
- 42 11-42-411, as last amended by Laws of Utah 2021, Chapters 314, 415
- 43 17-27a-508, as last amended by Laws of Utah 2023, Chapter 478
- 44 17B-1-102, as last amended by Laws of Utah 2023, Chapter 15
- 45 17B-1-103, as last amended by Laws of Utah 2023, Chapter 15
- 46 17B-1-105, as last amended by Laws of Utah 2023, Chapter 15
- 47 17B-1-201, as last amended by Laws of Utah 2023, Chapter 15
- 48 17B-1-202, as last amended by Laws of Utah 2023, Chapter 15
- 49 17B-1-203, as last amended by Laws of Utah 2023, Chapter 15
- 50 17B-1-204, as last amended by Laws of Utah 2023, Chapter 15
- 51 17B-1-205, as last amended by Laws of Utah 2023, Chapters 15, 116
- 52 17B-1-208, as last amended by Laws of Utah 2023, Chapter 15
- 53 17B-1-209, as last amended by Laws of Utah 2023, Chapters 15, 116
- 54 17B-1-210, as last amended by Laws of Utah 2023, Chapter 15
- 55 17B-1-211, as last amended by Laws of Utah 2023, Chapters 15, 435
- 56 17B-1-213, as last amended by Laws of Utah 2023, Chapter 15

- 57 **17B-1-214**, as last amended by Laws of Utah 2023, Chapter 15
- 58 **17B-1-215**, as last amended by Laws of Utah 2023, Chapter 15
- 59 **17B-1-216**, as last amended by Laws of Utah 2023, Chapter 15
- 60 **17B-1-302**, as last amended by Laws of Utah 2023, Chapters 15, 100
- 61 **17B-1-303**, as last amended by Laws of Utah 2023, Chapter 15
- 62 **17B-1-306.5**, as last amended by Laws of Utah 2023, Chapter 15
- 63 **17B-1-403**, as last amended by Laws of Utah 2023, Chapter 15
- 64 **17B-1-404**, as last amended by Laws of Utah 2023, Chapter 15
- 65 **17B-1-405**, as last amended by Laws of Utah 2023, Chapter 15
- 66 **17B-1-406**, as last amended by Laws of Utah 2023, Chapter 15
- 67 **17B-1-407**, as last amended by Laws of Utah 2023, Chapter 15
- 68 **17B-1-408**, as last amended by Laws of Utah 2023, Chapter 15
- 69 **17B-1-409**, as last amended by Laws of Utah 2023, Chapter 15
- 70 **17B-1-411**, as last amended by Laws of Utah 2023, Chapter 15
- 71 **17B-1-413**, as last amended by Laws of Utah 2023, Chapters 15, 435
- 72 **17B-1-414**, as last amended by Laws of Utah 2023, Chapter 15
- 73 **17B-1-504**, as last amended by Laws of Utah 2023, Chapter 15
- 74 **17B-1-506**, as last amended by Laws of Utah 2023, Chapters 15, 116
- 75 **17B-1-511**, as last amended by Laws of Utah 2023, Chapter 15
- 76 **17B-1-1001**, as last amended by Laws of Utah 2023, Chapter 15
- 77 **17B-1-1002**, as last amended by Laws of Utah 2023, Chapter 15
- 78 **17B-1-1302**, as last amended by Laws of Utah 2023, Chapter 15
- 79 **17B-1-1303**, as last amended by Laws of Utah 2023, Chapter 15
- 80 **17B-1-1310**, as last amended by Laws of Utah 2023, Chapter 15
- 81 **17B-1-1402**, as last amended by Laws of Utah 2023, Chapter 15
- 82 **17B-2a-404**, as last amended by Laws of Utah 2018, Chapter 112
- 83 **17B-2a-405**, as last amended by Laws of Utah 2017, Chapter 112
- 84 **17B-2a-407**, as enacted by Laws of Utah 2023, Chapter 15 and further amended by
- 85 Revisor Instructions, Laws of Utah 2023, Chapter 16
- 86 **17B-2a-604**, as last amended by Laws of Utah 2018, Chapter 112
- 87 **17B-2a-704**, as last amended by Laws of Utah 2019, Chapter 40

88 **17B-2a-905**, as last amended by Laws of Utah 2019, Chapter 108
 89 **20A-1-512**, as last amended by Laws of Utah 2023, Chapters 15, 435
 90 **52-4-207**, as last amended by Laws of Utah 2023, Chapter 100
 91 **67-1a-6.5**, as last amended by Laws of Utah 2023, Chapter 16

92 ENACTS:

93 **17B-1-219**, Utah Code Annotated 1953
 94 **17B-1-405.5**, Utah Code Annotated 1953
 95 **17B-2a-1301**, Utah Code Annotated 1953
 96 **17B-2a-1302**, Utah Code Annotated 1953
 97 **17B-2a-1303**, Utah Code Annotated 1953
 98 **17B-2a-1304**, Utah Code Annotated 1953
 99 **17B-2a-1305**, Utah Code Annotated 1953
 100 **17B-2a-1306**, Utah Code Annotated 1953
 101 **17B-2a-1307**, Utah Code Annotated 1953

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

104 Section 1. Section **10-9a-509** is amended to read:

105 **10-9a-509. Applicant's entitlement to land use application approval --**
 106 **Municipality's requirements and limitations -- Vesting upon submission of development**
 107 **plan and schedule.**

108 (1) (a) (i) An applicant who has submitted a complete land use application as described
 109 in Subsection (1)(c), including the payment of all application fees, is entitled to substantive
 110 review of the application under the land use regulations:

- 111 (A) in effect on the date that the application is complete; and
- 112 (B) applicable to the application or to the information shown on the application.

113 (ii) An applicant is entitled to approval of a land use application if the application
 114 conforms to the requirements of the applicable land use regulations, land use decisions, and
 115 development standards in effect when the applicant submits a complete application and pays
 116 application fees, unless:

- 117 (A) the land use authority, on the record, formally finds that a compelling,
 118 countervailing public interest would be jeopardized by approving the application and specifies

119 the compelling, countervailing public interest in writing; or

120 (B) in the manner provided by local ordinance and before the applicant submits the
121 application, the municipality formally initiates proceedings to amend the municipality's land
122 use regulations in a manner that would prohibit approval of the application as submitted.

123 (b) The municipality shall process an application without regard to proceedings the
124 municipality initiated to amend the municipality's ordinances as described in Subsection
125 (1)(a)(ii)(B) if:

126 (i) 180 days have passed since the municipality initiated the proceedings; and

127 (ii) (A) the proceedings have not resulted in an enactment that prohibits approval of the
128 application as submitted; or

129 (B) during the 12 months prior to the municipality processing the application, or
130 multiple applications of the same type, are impaired or prohibited under the terms of a
131 temporary land use regulation adopted under Section 10-9a-504.

132 (c) A land use application is considered submitted and complete when the applicant
133 provides the application in a form that complies with the requirements of applicable ordinances
134 and pays all applicable fees.

135 (d) A subsequent incorporation of a municipality or a petition that proposes the
136 incorporation of a municipality does not affect a land use application approved by a county in
137 accordance with Section 17-27a-508.

138 (e) The continuing validity of an approval of a land use application is conditioned upon
139 the applicant proceeding after approval to implement the approval with reasonable diligence.

140 (f) A municipality may not impose on an applicant who has submitted a complete
141 application a requirement that is not expressed in:

142 (i) this chapter;

143 (ii) a municipal ordinance in effect on the date that the applicant submits a complete
144 application, subject to Subsection 10-9a-509(1)(a)(ii); or

145 (iii) a municipal specification for public improvements applicable to a subdivision or
146 development that is in effect on the date that the applicant submits an application.

147 (g) A municipality may not impose on a holder of an issued land use permit or a final,
148 unexpired subdivision plat a requirement that is not expressed:

149 (i) in a land use permit;

- 150 (ii) on the subdivision plat;
- 151 (iii) in a document on which the land use permit or subdivision plat is based;
- 152 (iv) in the written record evidencing approval of the land use permit or subdivision
153 plat;
- 154 (v) in this chapter;
- 155 (vi) in a municipal ordinance; or
- 156 (vii) in a municipal specification for residential roadways in effect at the time a
157 residential subdivision was approved.

158 (h) Except as provided in Subsection (1)(i) or (j), a municipality may not withhold
159 issuance of a certificate of occupancy or acceptance of subdivision improvements because of an
160 applicant's failure to comply with a requirement that is not expressed:

- 161 (i) in the building permit or subdivision plat, documents on which the building permit
162 or subdivision plat is based, or the written record evidencing approval of the land use permit or
163 subdivision plat; or
- 164 (ii) in this chapter or the municipality's ordinances.

165 (i) A municipality may not unreasonably withhold issuance of a certificate of
166 occupancy where an applicant has met all requirements essential for the public health, public
167 safety, and general welfare of the occupants, in accordance with this chapter, unless:

- 168 (i) the applicant and the municipality have agreed in a written document to the
169 withholding of a certificate of occupancy; or
- 170 (ii) the applicant has not provided a financial assurance for required and uncompleted
171 public landscaping improvements or infrastructure improvements in accordance with an
172 applicable ordinance that the legislative body adopts under this chapter.

173 (j) A municipality may not conduct a final inspection required before issuing a
174 certificate of occupancy for a residential unit that is within the boundary of an infrastructure
175 financing district, as defined in Section 17B-1-102, until the applicant for the certificate of
176 occupancy provides adequate proof to the municipality that any lien on the unit arising from the
177 infrastructure financing district's assessment against the unit under Title 11, Chapter 42,
178 Assessment Area Act, has been released after payment in full of the infrastructure financing
179 district's assessment against that unit.

180 (2) A municipality is bound by the terms and standards of applicable land use

181 regulations and shall comply with mandatory provisions of those regulations.

182 (3) A municipality may not, as a condition of land use application approval, require a
183 person filing a land use application to obtain documentation regarding a school district's
184 willingness, capacity, or ability to serve the development proposed in the land use application.

185 (4) Upon a specified public agency's submission of a development plan and schedule as
186 required in Subsection 10-9a-305(8) that complies with the requirements of that subsection, the
187 specified public agency vests in the municipality's applicable land use maps, zoning map,
188 hookup fees, impact fees, other applicable development fees, and land use regulations in effect
189 on the date of submission.

190 (5) (a) If sponsors of a referendum timely challenge a project in accordance with
191 Subsection 20A-7-601(6), the project's affected owner may rescind the project's land use
192 approval by delivering a written notice:

193 (i) to the local clerk as defined in Section 20A-7-101; and

194 (ii) no later than seven days after the day on which a petition for a referendum is
195 determined sufficient under Subsection 20A-7-607(5).

196 (b) Upon delivery of a written notice described in Subsection (5)(a) the following are
197 rescinded and are of no further force or effect:

198 (i) the relevant land use approval; and

199 (ii) any land use regulation enacted specifically in relation to the land use approval.

200 Section 2. Section 11-42-102 is amended to read:

201 **11-42-102. Definitions.**

202 (1) As used in this chapter:

203 (a) "Adequate protests" means, for all proposed assessment areas except sewer
204 assessment areas, timely filed, written protests under Section 11-42-203 that represent at least
205 40% of the frontage, area, taxable value, fair market value, lots, number of connections, or
206 equivalent residential units of the property proposed to be assessed, according to the same
207 assessment method by which the assessment is proposed to be levied, after eliminating:

208 (i) protests relating to:

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

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

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

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

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

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

225 (a) issued under Section [11-42-605](#); and

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

228 (4) "Assessment fund" means a special fund that a local entity establishes under
229 Section [11-42-412](#).

230 (5) "Assessment lien" means a lien on property within an assessment area that arises
231 from the levy of an assessment, as provided in Section [11-42-501](#).

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

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

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

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

240 (8) "Assessment resolution" means a resolution adopted by a local entity under Section
241 [11-42-404](#) that levies an assessment on benefitted property within an assessment area.

242 (9) "Benefitted property" means property within an assessment area that directly or

243 indirectly benefits from improvements, operation and maintenance, or economic promotion
244 activities.

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

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

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

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

253 (i) commercial;

254 (ii) mining;

255 (iii) industrial;

256 (iv) manufacturing;

257 (v) governmental;

258 (vi) trade;

259 (vii) professional;

260 (viii) a private or public club;

261 (ix) a lodge;

262 (x) a business; or

263 (xi) a similar purpose.

264 (b) "Commercial or industrial real property" includes real property that:

265 (i) is used as or held for dwelling purposes; and

266 (ii) contains more than four rental units.

267 (14) "Connection fee" means a fee charged by a local entity to pay for the costs of
268 connecting property to a publicly owned sewer, storm drainage, water, gas, communications, or
269 electrical system, whether or not improvements are installed on the property.

270 (15) "Contract price" means:

271 (a) the cost of acquiring an improvement, if the improvement is acquired; or

272 (b) the amount payable to one or more contractors for the design, engineering,
273 inspection, and construction of an improvement.

274 (16) "Designation ordinance" means an ordinance adopted by a local entity under
275 Section 11-42-206 designating an assessment area.

276 (17) "Designation resolution" means a resolution adopted by a local entity under
277 Section 11-42-206 designating an assessment area.

278 (18) "Development authority" means:

279 (a) the Utah Inland Port Authority created in Section 11-58-201; or

280 (b) the military installation development authority created in Section 63H-1-201.

281 (19) "Economic promotion activities" means activities that promote economic growth
282 in a commercial area of a local entity, including:

283 (a) sponsoring festivals and markets;

284 (b) promoting business investment or activities;

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

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

288 (20) "Environmental remediation activity" means a surface or subsurface enhancement,
289 effort, cost, initial or ongoing maintenance expense, facility, installation, system, earth
290 movement, or change to grade or elevation that improves the use, function, aesthetics, or
291 environmental condition of publicly owned property.

292 (21) "Equivalent residential unit" means a dwelling, unit, or development that is equal
293 to a single-family residence in terms of the nature of its use or impact on an improvement to be
294 provided in the assessment area.

295 (22) "Governing body" means:

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

297 (b) for a special district, the board of trustees of the special district;

298 (c) for a special service district:

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

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

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

305 (e) for the Utah Inland Port Authority, created in Section 11-58-201, the board, as
306 defined in Section 11-58-102; and

307 (f) for a public infrastructure district, the board of the public infrastructure district as
308 defined in Section 17D-4-102.

309 (23) "Guaranty fund" means the fund established by a local entity under Section
310 11-42-701.

311 (24) "Improved property" means property upon which a residential, commercial, or
312 other building has been built.

313 (25) "Improvement":

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

316 (A) a local entity is authorized to provide or finance;

317 (B) the governing body of a local entity determines is necessary or convenient to
318 enable the local entity to provide a service that the local entity is authorized to provide; or

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

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

323 (A) can be conveniently installed at the same time as an infrastructure, system, or other
324 facility described in Subsection (25)(a)(i); and

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

327 (b) for a special district created to assess groundwater rights in accordance with
328 Section 17B-1-202, means a system or plan to regulate groundwater withdrawals within a
329 specific groundwater basin in accordance with Sections 17B-1-202 and 73-5-15.

330 (26) "Improvement revenues":

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

333 (b) does not include revenue from assessments.

334 (27) "Incidental refunding costs" means any costs of issuing refunding assessment
335 bonds and calling, retiring, or paying prior bonds, including:

- 336 (a) legal and accounting fees;
- 337 (b) charges of financial advisors, escrow agents, certified public accountant verification
338 entities, and trustees;
- 339 (c) underwriting discount costs, printing costs, the costs of giving notice;
- 340 (d) any premium necessary in the calling or retiring of prior bonds;
- 341 (e) fees to be paid to the local entity to issue the refunding assessment bonds and to
342 refund the outstanding prior bonds;
- 343 (f) any other costs that the governing body determines are necessary and proper to incur
344 in connection with the issuance of refunding assessment bonds; and
- 345 (g) any interest on the prior bonds that is required to be paid in connection with the
346 issuance of the refunding assessment bonds.
- 347 (28) "Installment payment date" means the date on which an installment payment of an
348 assessment is payable.
- 349 (29) "Interim warrant" means a warrant issued by a local entity under Section
350 [11-42-601](#).
- 351 (30) "Jurisdictional boundaries" means:
 - 352 (a) for a county, the boundaries of the unincorporated area of the county; and
 - 353 (b) for each other local entity, the boundaries of the local entity.
- 354 (31) "Local entity" means:
 - 355 (a) a county, city, town, special service district, or special district;
 - 356 (b) an interlocal entity as defined in Section [11-13-103](#);
 - 357 (c) the military installation development authority, created in Section [63H-1-201](#);
 - 358 (d) a public infrastructure district under Title 17D, Chapter 4, Public Infrastructure
359 District Act, including a public infrastructure district created by a development authority;
 - 360 (e) the Utah Inland Port Authority, created in Section [11-58-201](#); or
 - 361 (f) any other political subdivision of the state.
- 362 (32) "Local entity obligations" means assessment bonds, refunding assessment bonds,
363 interim warrants, and bond anticipation notes issued by a local entity.
- 364 (33) "Mailing address" means:
 - 365 (a) a property owner's last-known address using the name and address appearing on the
366 last completed real property assessment roll of the county in which the property is located; and

367 (b) if the property is improved property:
368 (i) the property's street number; or
369 (ii) the post office box, rural route number, or other mailing address of the property, if
370 a street number has not been assigned.

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

374 (35) "Operation and maintenance costs":

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

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

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

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

387 (38) "Prior assessment resolution" means the resolution levying the assessments from
388 which the prior bonds are payable.

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

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

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

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

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

401 (44) "Public agency" means:

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

403 (b) a political subdivision of the state.

404 (45) "Reduced payment obligation" means the full obligation of an owner of property
405 within an assessment area to pay an assessment levied on the property after the assessment has
406 been reduced because of the issuance of refunding assessment bonds, as provided in Section
407 [11-42-608](#).

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

410 (47) "Reserve fund" means a fund established by a local entity under Section
411 [11-42-702](#).

412 (48) "Service" means:

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

415 (b) economic promotion activities; or

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

417 (49) (a) "Sewer assessment area" means an assessment area that has as the assessment
418 area's primary purpose the financing and funding of public improvements to provide sewer
419 service where there is, in the opinion of the local board of health, substantial evidence of septic
420 system failure in the defined area due to inadequate soils, high water table, or other factors
421 proven to cause failure.

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

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

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

428 (iii) for which the property owner opts out of the proposed assessment area for the

429 earlier of a period of 10 calendar years or until failure of the system described in Subsection
430 (49)(b)(i).

431 (50) "Special district" means a special district under Title 17B, Limited Purpose Local
432 Government Entities - Special Districts.

433 (51) "Special service district" means the same as that term is defined in Section
434 17D-1-102.

435 (52) "Unassessed benefitted government property" means property that a local entity
436 may not assess in accordance with Section 11-42-408 but is benefitted by an improvement,
437 operation and maintenance, or economic promotion activities.

438 (53) "Unimproved property" means property upon which no residential, commercial, or
439 other building has been built.

440 (54) "Voluntary assessment area" means an assessment area that contains only property
441 whose owners have voluntarily consented to an assessment.

442 Section 3. Section 11-42-106 is amended to read:

443 **11-42-106. Action to contest assessment or proceeding -- Requirements --**

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

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

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

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

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

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

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

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

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

458 (ii) The period for commencing an action and serving a summons under Subsection
459 (2)(b)(i) is 30 days if [~~the designation resolution, assessment resolution, or amended resolution~~

460 was]:

461 (A) the designation resolution, assessment resolution, or amended resolution was
462 adopted by a development authority [or], an infrastructure financing district under Title 17B,
463 Chapter 2a, Part 13, Infrastructure Financing Districts, or a public infrastructure district created
464 by a development authority under Title 17D, Chapter 4, Public Infrastructure District Act; and

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

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

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

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

471 (b) A court may not hear any complaint under Subsection (1) that a person was
472 authorized to make but did not make in a protest under Section 11-42-203 or at a hearing under
473 Section 11-42-204.

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

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

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

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

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

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

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

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

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

501 Section 4. Section **11-42-201** is amended to read:

502 **11-42-201. Resolution or ordinance designating an assessment area --**
503 **Classifications within an assessment area -- Preconditions to adoption of a resolution or**
504 **ordinance.**

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

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

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

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

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

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

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

522 (d) The boundary of an assessment area proposed to be designated in an ordinance or
 523 resolution of an infrastructure financing district may not include an area that is ~~§~~→ **[already included**
 524 **in]** , at the time of adoption of the ordinance or resolution, part of ←~~§~~ an assessment area
 524a designated under an ordinance or resolution previously adopted by the
 525 infrastructure financing district.

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

- 528 (a) give notice as provided in Section 11-42-202;
- 529 (b) receive and consider all protests filed under Section 11-42-203; and
- 530 (c) hold a public hearing as provided in Section 11-42-204.

531 Section 5. Section 11-42-202 is amended to read:

532 **11-42-202. Requirements applicable to a notice of a proposed assessment area**
 533 **designation -- Notice.**

534 (1) Each notice required under Subsection 11-42-201(2)(a) shall:

535 (a) state that the local entity proposes to:

536 (i) designate one or more areas within the local entity's jurisdictional boundaries as an
 537 assessment area; and

538 (ii) (A) provide an improvement to property within the proposed assessment area[;]
 539 and [~~(iii)~~] finance some or all of the cost of improvements by an assessment on benefitted
 540 property within the assessment area; or

541 (B) finance improvements to property through an assessment on benefitted property
 542 within the assessment area;

543 (b) describe the proposed assessment area by any reasonable method that allows an
 544 owner of property in the proposed assessment area to determine that the owner's property is
 545 within the proposed assessment area;

546 (c) describe, in a general and reasonably accurate way, the improvements to be
 547 provided to the assessment area, including:

548 (i) the nature of the improvements; and

549 (ii) the location of the improvements, by reference to streets or portions or extensions
 550 of streets or by any other means that the governing body chooses that reasonably describes the
 551 general location of the improvements;

552 (d) state the estimated cost of the improvements as determined by a project engineer;

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553 (e) for the notice mailed under Subsection (4), state the estimated total assessment
554 specific to the benefitted property for which the notice is mailed;

555 (f) state that the local entity proposes to levy an assessment on benefitted property
556 within the assessment area to pay some or all of the cost of the improvements according to the
557 estimated benefits to the property from the improvements;

558 (g) if applicable, state that an unassessed benefitted government property will receive
559 improvements for which the cost will be allocated proportionately to the remaining benefitted
560 properties within the proposed assessment area and that a description of each unassessed
561 benefitted government property is available for public review at the location or website
562 described in Subsection (6);

563 (h) state the assessment method by which the governing body proposes to calculate the
564 proposed assessment, including, if the local entity is a municipality or county, whether the
565 assessment will be collected:

566 (i) by directly billing a property owner; or

567 (ii) by inclusion on a property tax notice issued in accordance with Section [59-2-1317](#)
568 and in compliance with Section [11-42-401](#);

569 (i) state:

570 (i) the date described in Section [11-42-203](#) and the location at which protests against
571 designation of the proposed assessment area or of the proposed improvements are required to
572 be filed;

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

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

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

581 (k) if the governing body elects to create and fund a reserve fund under Section
582 [11-42-702](#), include a description of:

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

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

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

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

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

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

593 (iv) if the governing body intends to enforce an assessment lien on the property in
594 accordance with Subsection [11-42-502.1\(2\)\(a\)\(ii\)\(C\)](#):

595 (A) appoints a trustee that satisfies the requirements described in Section [57-1-21](#);

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

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

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

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

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

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

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

608 (A) in accordance with Section [11-42-406](#), current economic promotion activities; or

609 (B) current operation and maintenance costs;

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

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

614 (A) operation and maintenance costs; or

615 (B) economic promotion activities;

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

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

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

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

628 (3) A notice required under Subsection 11-42-201(2)(a) may contain other information
629 that the governing body considers to be appropriate, including:

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

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

634 (c) provisions for any improvements described in Subsection 11-42-102(25)(a)(ii).

635 (4) Each notice required under Subsection 11-42-201(2)(a) shall be published for the
636 governing body's jurisdiction, as a class B notice under Section 63G-30-102, for at least 20
637 days, but not more than 35 days, before the day of the hearing required in Section 11-42-204.

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

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

646 (6) A local entity shall make available on the local entity's website, or, if no website is
647 available, at the local entity's place of business, the address and type of use of each unassessed
648 benefitted government property described in Subsection (1)(g).

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

652 (a) the property owner gives written consent;

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

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

658 Section 6. Section 11-42-411 is amended to read:

659 **11-42-411. Installment payment of assessments.**

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

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

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

667 (A) a development authority; [~~or~~]

668 (B) an infrastructure financing district under Title 17B, Chapter 2a, Part 13,

669 Infrastructure Financing Districts; ~~or~~ ←~~or~~→

670 [~~(B)~~] (C) a public infrastructure district created by a development authority under Title
671 17D, Chapter 4, Public Infrastructure District Act ~~or~~ → [~~or~~]; or

671a **(D) any other local entity, if the resolution is adopted with the consent of all owners of**
671b **surface property within the assessment area.** ←~~or~~→

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

675 (i) shall make a determination that:

676 (A) the improvement for which the assessment is made has a reasonable useful life for

677 the full period during which installments are to be paid; or

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

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

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

686 (a) in substantially equal installments of principal; or

687 (b) in substantially equal installments of principal and interest.

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

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

695 (i) a local entity may charge interest only from the date each installment is due; and

696 (ii) the first installment of an assessment shall be due 15 days after the effective date of
697 the assessment resolution or ordinance.

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

701 (i) the basis upon which the rate is to be determined from time to time;

702 (ii) the manner in which and schedule upon which the rate is to be adjusted; and

703 (iii) a maximum rate that the assessment may bear.

704 (4) Interest payable on assessments may include:

705 (a) interest on assessment bonds;

706 (b) ongoing local entity costs incurred for administration of the assessment area; and

707 (c) any costs incurred with respect to:

708 (i) securing a letter of credit or other instrument to secure payment or repurchase of
709 bonds; or

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

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

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

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

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

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

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

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

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

728 Section 7. Section **17-27a-508** is amended to read:

729 **17-27a-508. Applicant's entitlement to land use application approval --**

730 **Application relating to land in a high priority transportation corridor -- County's**
731 **requirements and limitations -- Vesting upon submission of development plan and**
732 **schedule.**

733 (1) (a) (i) An applicant who has submitted a complete land use application, including
734 the payment of all application fees, is entitled to substantive review of the application under the
735 land use regulations:

736 (A) in effect on the date that the application is complete; and

737 (B) applicable to the application or to the information shown on the submitted
738 application.

739 (ii) An applicant is entitled to approval of a land use application if the application
740 conforms to the requirements of the applicable land use regulations, land use decisions, and
741 development standards in effect when the applicant submits a complete application and pays all
742 application fees, unless:

743 (A) the land use authority, on the record, formally finds that a compelling,
744 countervailing public interest would be jeopardized by approving the application and specifies
745 the compelling, countervailing public interest in writing; or

746 (B) in the manner provided by local ordinance and before the applicant submits the
747 application, the county formally initiates proceedings to amend the county's land use
748 regulations in a manner that would prohibit approval of the application as submitted.

749 (b) The county shall process an application without regard to proceedings the county
750 initiated to amend the county's ordinances as described in Subsection (1)(a)(ii)(B) if:

751 (i) 180 days have passed since the county initiated the proceedings; and

752 (ii) (A) the proceedings have not resulted in an enactment that prohibits approval of the
753 application as submitted; or

754 (B) during the 12 months prior to the county processing the application or multiple
755 applications of the same type, the application is impaired or prohibited under the terms of a
756 temporary land use regulation adopted under Section [17-27a-504](#).

757 (c) A land use application is considered submitted and complete when the applicant
758 provides the application in a form that complies with the requirements of applicable ordinances
759 and pays all applicable fees.

760 (d) The continuing validity of an approval of a land use application is conditioned upon
761 the applicant proceeding after approval to implement the approval with reasonable diligence.

762 (e) A county may not impose on an applicant who has submitted a complete
763 application a requirement that is not expressed in:

764 (i) this chapter;

765 (ii) a county ordinance in effect on the date that the applicant submits a complete
766 application, subject to Subsection [~~17-27a-508(1)(a)(ii)~~] (1)(a)(ii); or

767 (iii) a county specification for public improvements applicable to a subdivision or
768 development that is in effect on the date that the applicant submits an application.

769 (f) A county may not impose on a holder of an issued land use permit or a final,

770 unexpired subdivision plat a requirement that is not expressed:

771 (i) in a land use permit;

772 (ii) on the subdivision plat;

773 (iii) in a document on which the land use permit or subdivision plat is based;

774 (iv) in the written record evidencing approval of the land use permit or subdivision
775 plat;

776 (v) in this chapter;

777 (vi) in a county ordinance; or

778 (vii) in a county specification for residential roadways in effect at the time a residential
779 subdivision was approved.

780 (g) Except as provided in Subsection (1)(h) or (i), a county may not withhold issuance
781 of a certificate of occupancy or acceptance of subdivision improvements because of an
782 applicant's failure to comply with a requirement that is not expressed:

783 (i) in the building permit or subdivision plat, documents on which the building permit
784 or subdivision plat is based, or the written record evidencing approval of the building permit or
785 subdivision plat; or

786 (ii) in this chapter or the county's ordinances.

787 (h) A county may not unreasonably withhold issuance of a certificate of occupancy
788 where an applicant has met all requirements essential for the public health, public safety, and
789 general welfare of the occupants, in accordance with this chapter, unless:

790 (i) the applicant and the county have agreed in a written document to the withholding
791 of a certificate of occupancy; or

792 (ii) the applicant has not provided a financial assurance for required and uncompleted
793 public landscaping improvements or infrastructure improvements in accordance with an
794 applicable ordinance that the legislative body adopts under this chapter.

795 (i) A county may not conduct a final inspection required before issuing a certificate of
796 occupancy for a residential unit that is within the boundary of an infrastructure financing
797 district, as defined in Section 17B-1-102, until the applicant for the certificate of occupancy
798 provides adequate proof to the county that any lien on the unit arising from the infrastructure
799 financing district's assessment against the unit under Title 11, Chapter 42, Assessment Area
800 Act, has been released after payment in full of the infrastructure financing district's assessment

801 against that unit.

802 (2) A county is bound by the terms and standards of applicable land use regulations and
803 shall comply with mandatory provisions of those regulations.

804 (3) A county may not, as a condition of land use application approval, require a person
805 filing a land use application to obtain documentation regarding a school district's willingness,
806 capacity, or ability to serve the development proposed in the land use application.

807 (4) Upon a specified public agency's submission of a development plan and schedule as
808 required in Subsection 17-27a-305(8) that complies with the requirements of that subsection,
809 the specified public agency vests in the county's applicable land use maps, zoning map, hookup
810 fees, impact fees, other applicable development fees, and land use regulations in effect on the
811 date of submission.

812 (5) (a) If sponsors of a referendum timely challenge a project in accordance with
813 Subsection 20A-7-601(6), the project's affected owner may rescind the project's land use
814 approval by delivering a written notice:

815 (i) to the local clerk as defined in Section 20A-7-101; and

816 (ii) no later than seven days after the day on which a petition for a referendum is
817 determined sufficient under Subsection 20A-7-607(5).

818 (b) Upon delivery of a written notice described in Subsection(5)(a) the following are
819 rescinded and are of no further force or effect:

820 (i) the relevant land use approval; and

821 (ii) any land use regulation enacted specifically in relation to the land use approval.

822 Section 8. Section 17B-1-102 is amended to read:

823 **17B-1-102. Definitions.**

824 As used in this title:

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

827 (2) "Basic special district":

828 (a) means a special district that is not a specialized special district; and

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

831 (3) "Bond" means:

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

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

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

836 (ii) the district's board of trustees, in its discretion, treats as a bond for purposes of Title
837 11, Chapter 14, Local Government Bonding Act, or Title 11, Chapter 27, Utah Refunding Bond
838 Act.

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

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

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

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

854 (8) "General obligation bond":

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

857 (i) levied:

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

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

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

861 and

862 (b) does not include:

- 863 (i) a short-term bond;
- 864 (ii) a tax and revenue anticipation bond; or
- 865 (iii) a special assessment bond.
- 866 (9) "Improvement assurance" means a surety bond, letter of credit, cash, or other
- 867 security:
- 868 (a) to guarantee the proper completion of an improvement;
- 869 (b) that is required before a special district may provide a service requested by a
- 870 service applicant; and
- 871 (c) that is offered to a special district to induce the special district before construction
- 872 of an improvement begins to:
- 873 (i) provide the requested service; or
- 874 (ii) commit to provide the requested service.
- 875 (10) "Improvement assurance warranty" means a promise that the materials and
- 876 workmanship of an improvement:
- 877 (a) comply with standards adopted by a special district; and
- 878 (b) will not fail in any material respect within an agreed warranty period.
- 879 (11) "Improvement district" means a special district that operates under and is subject
- 880 to the provisions of this chapter and Chapter 2a, Part 4, Improvement District Act, including an
- 881 entity that was created and operated as a county improvement district under the law in effect
- 882 before April 30, 2007.
- 883 (12) "Infrastructure financing district" means a special district that operates under and
- 884 is subject to the provisions of this chapter and Chapter 2a, Part 13, Infrastructure Financing
- 885 Districts.
- 886 [~~(12)~~] (13) "Irrigation district" means a special district that operates under and is
- 887 subject to the provisions of this chapter and Chapter 2a, Part 5, Irrigation District Act,
- 888 including an entity that was created and operated as an irrigation district under the law in effect
- 889 before April 30, 2007.
- 890 [~~(13)~~] (14) "Metropolitan water district" means a special district that operates under
- 891 and is subject to the provisions of this chapter and Chapter 2a, Part 6, Metropolitan Water
- 892 District Act, including an entity that was created and operated as a metropolitan water district
- 893 under the law in effect before April 30, 2007.

894 [~~(14)~~] (15) "Mosquito abatement district" means a special district that operates under
 895 and is subject to the provisions of this chapter and Chapter 2a, Part 7, Mosquito Abatement
 896 District Act, including an entity that was created and operated as a mosquito abatement district
 897 under the law in effect before April 30, 2007.

898 [~~(15)~~] (16) "Municipal" means of or relating to a municipality.

899 [~~(16)~~] (17) "Municipality" means a city, town, or metro township.

900 [~~(17)~~] (18) "Municipal services district" means a special district that operates under and
 901 is subject to the provisions of this chapter and Chapter 2a, Part 11, Municipal Services District
 902 Act.

903 [~~(18)~~] (19) "Person" means an individual, corporation, partnership, organization,
 904 association, trust, governmental agency, or other legal entity.

905 [~~(19)~~] (20) "Political subdivision" means a county, city, town, metro township, special
 906 district under this title, special service district under Title 17D, Chapter 1, Special Service
 907 District Act, an entity created by interlocal cooperation agreement under Title 11, Chapter 13,
 908 Interlocal Cooperation Act, or any other governmental entity designated in statute as a political
 909 subdivision of the state.

910 [~~(20)~~] (21) "Private," with respect to real property, means not owned by the United
 911 States or any agency of the federal government, the state, a county, or a political subdivision.

912 [~~(21)~~] (22) "Public entity" means:

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

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

915 (c) a political subdivision of the state or an agency of a political subdivision of the
 916 state;

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

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

919 [~~(22)~~] (23) "Public transit district" means a special district that operates under and is
 920 subject to the provisions of this chapter and Chapter 2a, Part 8, Public Transit District Act,
 921 including an entity that was created and operated as a public transit district under the law in
 922 effect before April 30, 2007.

923 [~~(23)~~] (24) "Revenue bond":

924 (a) means a bond payable from designated taxes or other revenues other than the

925 special district's ad valorem property taxes; and

926 (b) does not include:

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

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

930 (iii) a special assessment bond.

931 [~~24~~] (25) "Rules of order and procedure" means a set of rules that govern and
932 prescribe in a public meeting:

933 (a) parliamentary order and procedure;

934 (b) ethical behavior; and

935 (c) civil discourse.

936 [~~25~~] (26) "Service applicant" means a person who requests that a special district
937 provide a service that the special district is authorized to provide.

938 [~~26~~] (27) "Service area" means a special district that operates under and is subject to
939 the provisions of this chapter and Chapter 2a, Part 9, Service Area Act, including an entity that
940 was created and operated as a county service area or a regional service area under the law in
941 effect before April 30, 2007.

942 [~~27~~] (28) "Short-term bond" means a bond that is required to be repaid during the
943 fiscal year in which the bond is issued.

944 [~~28~~] (29) "Special assessment" means an assessment levied against property to pay all
945 or a portion of the costs of making improvements that benefit the property.

946 [~~29~~] (30) "Special assessment bond" means a bond payable from special assessments.

947 [~~30~~] (31) "Special district" means a limited purpose local government entity, as
948 described in Section [17B-1-103](#), that operates under, is subject to, and has the powers
949 described in:

950 (a) this chapter; or

951 (b) (i) this chapter; and

952 (ii) (A) Chapter 2a, Part 1, Cemetery Maintenance District Act;

953 (B) Chapter 2a, Part 2, Drainage District Act;

954 (C) Chapter 2a, Part 3, Fire Protection District Act;

955 (D) Chapter 2a, Part 4, Improvement District Act;

- 956 (E) Chapter 2a, Part 5, Irrigation District Act;
- 957 (F) Chapter 2a, Part 6, Metropolitan Water District Act;
- 958 (G) Chapter 2a, Part 7, Mosquito Abatement District Act;
- 959 (H) Chapter 2a, Part 8, Public Transit District Act;
- 960 (I) Chapter 2a, Part 9, Service Area Act;
- 961 (J) Chapter 2a, Part 10, Water Conservancy District Act; ~~[or]~~
- 962 (K) Chapter 2a, Part 11, Municipal Services District Act~~[-];~~ or
- 963 (L) Chapter 2a, Part 13, Infrastructure Financing Districts.

964 ~~[(31)]~~ (32) "Specialized special district" means a special district that is a cemetery
 965 maintenance district, a drainage district, a fire protection district, an improvement district, an
 966 irrigation district, a metropolitan water district, a mosquito abatement district, a public transit
 967 district, a service area, a water conservancy district, a municipal services district, ~~[or a public~~
 968 ~~infrastructure district]~~, or an infrastructure financing district.

969 ~~[(32)]~~ (33) "Taxable value" means the taxable value of property as computed from the
 970 most recent equalized assessment roll for county purposes.

971 ~~[(33)]~~ (34) "Tax and revenue anticipation bond" means a bond:

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

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

976 ~~[(34)]~~ (35) "Unincorporated" means not included within a municipality.

977 ~~[(35)]~~ (36) "Water conservancy district" means a special district that operates under
 978 and is subject to the provisions of this chapter and Chapter 2a, Part 10, Water Conservancy
 979 District Act, including an entity that was created and operated as a water conservancy district
 980 under the law in effect before April 30, 2007.

981 ~~[(36)]~~ (37) "Works" includes a dam, reservoir, well, canal, conduit, pipeline, drain,
 982 tunnel, power plant, and any facility, improvement, or property necessary or convenient for
 983 supplying or treating water for any beneficial use, and for otherwise accomplishing the
 984 purposes of a special district.

985 Section 9. Section **17B-1-103** is amended to read:

986 **17B-1-103. Special district status and powers -- Registration as a limited purpose**

987 **entity.**

988 (1) A special district:

989 (a) is:

990 (i) a body corporate and politic with perpetual succession;

991 (ii) a quasi-municipal corporation; [~~and~~]

992 (iii) a political subdivision of the state; and

993 (iv) separate and distinct from and independent of any other political subdivision of the
994 state; and

995 (b) may sue and be sued.

996 (2) A special district may:

997 (a) acquire, by any lawful means, or lease any real property, personal property, or a
998 groundwater right necessary or convenient to the full exercise of the district's powers;

999 (b) acquire, by any lawful means, any interest in real property, personal property, or a
1000 groundwater right necessary or convenient to the full exercise of the district's powers;

1001 (c) transfer an interest in or dispose of any property or interest described in Subsections
1002 (2)(a) and (b);

1003 (d) acquire or construct works, facilities, and improvements necessary or convenient to
1004 the full exercise of the district's powers, and operate, control, maintain, and use those works,
1005 facilities, and improvements;

1006 (e) borrow money and incur indebtedness for any lawful district purpose;

1007 (f) issue bonds, including refunding bonds:

1008 (i) for any lawful district purpose; and

1009 (ii) as provided in and subject to Part 11, Special District Bonds;

1010 (g) levy and collect property taxes:

1011 (i) for any lawful district purpose or expenditure, including to cover a deficit resulting
1012 from tax delinquencies in a preceding year; and

1013 (ii) as provided in and subject to Part 10, Special District Property Tax Levy;

1014 (h) as provided in Title 78B, Chapter 6, Part 5, Eminent Domain, acquire by eminent
1015 domain property necessary to the exercise of the district's powers;

1016 (i) invest money as provided in Title 51, Chapter 7, State Money Management Act;

1017 (j) (i) impose fees or other charges for commodities, services, or facilities provided by

1018 the district, to pay some or all of the district's costs of providing the commodities, services, and
1019 facilities, including the costs of:

1020 (A) maintaining and operating the district;

1021 (B) acquiring, purchasing, constructing, improving, or enlarging district facilities;

1022 (C) issuing bonds and paying debt service on district bonds; and

1023 (D) providing a reserve established by the board of trustees; and

1024 (ii) take action the board of trustees considers appropriate and adopt regulations to
1025 assure the collection of all fees and charges that the district imposes;

1026 (k) if applicable, charge and collect a fee to pay for the cost of connecting a customer's
1027 property to district facilities in order for the district to provide service to the property;

1028 (l) enter into a contract that the special district board of trustees considers necessary,
1029 convenient, or desirable to carry out the district's purposes, including a contract:

1030 (i) with the United States or any department or agency of the United States;

1031 (ii) to indemnify and save harmless; or

1032 (iii) to do any act to exercise district powers;

1033 (m) purchase supplies, equipment, and materials;

1034 (n) encumber district property upon terms and conditions that the board of trustees
1035 considers appropriate;

1036 (o) exercise other powers and perform other functions that are provided by law;

1037 (p) construct and maintain works and establish and maintain facilities, including works
1038 or facilities:

1039 (i) across or along any public street or highway, subject to Subsection (3) and if the
1040 district:

1041 (A) promptly restores the street or highway, as much as practicable, to its former state
1042 of usefulness; and

1043 (B) does not use the street or highway in a manner that completely or unnecessarily
1044 impairs the usefulness of it;

1045 (ii) in, upon, or over any vacant public lands that are or become the property of the
1046 state, including school and institutional trust lands, as defined in Section 53C-1-103, if the
1047 director of the School and Institutional Trust Lands Administration, acting under Sections

1048 53C-1-102 and 53C-1-303, consents; or

1049 (iii) across any stream of water or watercourse, subject to Section [73-3-29](#);

1050 (q) perform any act or exercise any power reasonably necessary for the efficient

1051 operation of the special district in carrying out its purposes;

1052 (r) (i) except for a special district described in Subsection (2)(r)(ii), designate an

1053 assessment area and levy an assessment on land within the assessment area, as provided in

1054 Title 11, Chapter 42, Assessment Area Act; or

1055 (ii) for a special district created to assess a groundwater right in a critical management

1056 area described in Subsection [17B-1-202\(1\)](#), designate an assessment area and levy an

1057 assessment, as provided in Title 11, Chapter 42, Assessment Area Act, on a groundwater right

1058 to facilitate a groundwater management plan;

1059 (s) contract with another political subdivision of the state to allow the other political

1060 subdivision to use the district's surplus water or capacity or have an ownership interest in the

1061 district's works or facilities, upon the terms and for the consideration, whether monetary or

1062 nonmonetary consideration or no consideration, that the district's board of trustees considers to

1063 be in the best interests of the district and the public;

1064 (t) upon the terms and for the consideration, whether monetary or nonmonetary

1065 consideration or no consideration, that the district's board of trustees considers to be in the best

1066 interests of the district and the public, agree:

1067 (i) (A) with another political subdivision of the state; or

1068 (B) with a public or private owner of property on which the district has a right-of-way

1069 or adjacent to which the district owns fee title to property; and

1070 (ii) to allow the use of property:

1071 (A) owned by the district; or

1072 (B) on which the district has a right-of-way; and

1073 (u) if the special district receives, as determined by the special district board of

1074 trustees, adequate monetary or nonmonetary consideration in return:

1075 (i) provide services or nonmonetary assistance to a nonprofit entity;

1076 (ii) waive fees required to be paid by a nonprofit entity; or

1077 (iii) provide monetary assistance to a nonprofit entity, whether from the special

1078 district's own funds or from funds the special district receives from the state or any other

1079 source.

1080 (3) With respect to a special district's use of a street or highway, as provided in
1081 Subsection (2)(p)(i):

1082 (a) the district shall comply with the reasonable rules and regulations of the
1083 governmental entity, whether state, county, or municipal, with jurisdiction over the street or
1084 highway, concerning:

1085 (i) an excavation and the refilling of an excavation;

1086 (ii) the relaying of pavement; and

1087 (iii) the protection of the public during a construction period; and

1088 (b) the governmental entity, whether state, county, or municipal, with jurisdiction over
1089 the street or highway:

1090 (i) may not require the district to pay a license or permit fee or file a bond; and

1091 (ii) may require the district to pay a reasonable inspection fee.

1092 (4) (a) A special district may:

1093 (i) acquire, lease, or construct and operate electrical generation, transmission, and
1094 distribution facilities, if:

1095 (A) the purpose of the facilities is to harness energy that results inherently from the
1096 district's operation of a project or facilities that the district is authorized to operate or from the
1097 district providing a service that the district is authorized to provide;

1098 (B) the generation of electricity from the facilities is incidental to the primary
1099 operations of the district; and

1100 (C) operation of the facilities will not hinder or interfere with the primary operations of
1101 the district;

1102 (ii) (A) use electricity generated by the facilities; or

1103 (B) subject to Subsection (4)(b), sell electricity generated by the facilities to an electric
1104 utility or municipality with an existing system for distributing electricity.

1105 (b) A district may not act as a retail distributor or seller of electricity.

1106 (c) Revenue that a district receives from the sale of electricity from electrical
1107 generation facilities it owns or operates under this section may be used for any lawful district
1108 purpose, including the payment of bonds issued to pay some or all of the cost of acquiring or
1109 constructing the facilities.

1110 (5) A special district may adopt and, after adoption, alter a corporate seal.

1111 (6) (a) Each special district shall register and maintain the special district's registration
1112 as a limited purpose entity, in accordance with Section 67-1a-15.

1113 (b) A special district that fails to comply with Subsection (6)(a) or Section 67-1a-15 is
1114 subject to enforcement by the state auditor, in accordance with Section 67-3-1.

1115 (7) (a) As used in this Subsection (7), "knife" means a cutting instrument that includes
1116 a sharpened or pointed blade.

1117 (b) The authority to regulate a knife is reserved to the state except where the
1118 Legislature specifically delegates responsibility to a special district.

1119 (c) Unless specifically authorized by the Legislature by statute, a special district may
1120 not adopt or enforce a regulation or rule pertaining to a knife.

1121 Section 10. Section 17B-1-105 is amended to read:

1122 **17B-1-105. Name of special district -- Name change.**

1123 (1) (a) The name of each special district created on or after May 1, 2000 shall comply
1124 with Subsection 17-50-103(2)(a).

1125 (b) The board of each special district affected by Subsection 17-50-103(2)(b) shall
1126 ensure that after January 1, 2005 the special district name complies with the requirements of
1127 Subsection 17-50-103(2)(b).

1128 (2) The name of a special district created after April 30, 2007 may not include the
1129 name of a county or municipality.

1130 (3) The name of a special district may include words descriptive of the type of service
1131 that the district provides.

1132 (4) The name of an infrastructure financing district shall comply with Subsection
1133 17B-1-208(1)(b)(ii).

1134 [~~4~~] (5) (a) A special district board may change the name of that special district as
1135 provided in this Subsection [~~4~~] (5).

1136 (b) To initiate a name change, the special district board shall:

1137 (i) hold a public hearing on the proposed name change;

1138 (ii) adopt a resolution approving the name change; and

1139 (iii) file with the lieutenant governor a notice of an impending name change, as defined
1140 in Section 67-1a-6.7, that meets the requirements of Subsection 67-1a-6.7(3).

1141 (c) Upon the lieutenant governor's issuance of a certificate of name change under

1142 Section 67-1a-6.7, the special district board shall:

1143 (i) if the special district is located within the boundary of a single county, submit to the
1144 recorder of that county:

1145 (A) the original:

1146 (I) notice of an impending name change; and

1147 (II) certificate of name change; and

1148 (B) a certified copy of the resolution approving the name change; or

1149 (ii) if the special district is located within the boundaries of more than a single county:

1150 (A) submit to the recorder of one of those counties:

1151 (I) the original of the documents listed in Subsections [~~(4)(c)(i)(A)(F)~~] (5)(c)(i)(A)(I)

1152 and (II); and

1153 (II) a certified copy of the resolution approving the name change; and

1154 (B) submit to the recorder of each other county:

1155 (I) a certified copy of the documents listed in Subsections [~~(4)(c)(i)(A)(F)~~]

1156 (5)(c)(i)(A)(I) and (II); and

1157 (II) a certified copy of the resolution approving the name change.

1158 (d) (i) A name change under this Subsection [~~(4)~~] (5) becomes effective upon the

1159 lieutenant governor's issuance of a certificate of name change under Section 67-1a-6.7.

1160 (ii) Notwithstanding Subsection [~~(4)(d)(i)~~] (5)(d)(i), the special district may not operate

1161 under the new name until the documents listed in Subsection [~~(4)(e)~~] (5)(c) are recorded in the

1162 office of the recorder of each county in which the special district is located.

1163 Section 11. Section **17B-1-201** is amended to read:

1164 **17B-1-201. Definitions.**

1165 As used in this part:

1166 (1) "Applicable area" means:

1167 (a) for a county, the unincorporated area of the county that is included within the

1168 proposed special district; or

1169 (b) for a municipality, the area of the municipality that is included within the proposed

1170 special district.

1171 (2) "Governing body" means:

1172 (a) for a county or municipality, the legislative body of the county or municipality; and

- 1173 (b) for a special district, the board of trustees of the special district.
- 1174 (3) "Groundwater right owner petition" means a petition under Subsection
- 1175 [17B-1-203\(1\)\(c\)](#).
- 1176 (4) "Groundwater right owner request" means a request under Section [17B-1-204](#) that
- 1177 is signed by owners of water rights as provided in Subsection [17B-1-204\(2\)\(b\)\(ii\)](#).
- 1178 (5) "Initiating special district" means a special district that adopts a resolution
- 1179 proposing the creation of a special district under Subsection [~~[17B-1-203\(1\)\(c\)](#)~~]
- 1180 [17B-1-203\(1\)\(f\)](#).
- 1181 (6) "Petition" means a petition under Subsection [17B-1-203\(1\)\(a\)](#), (b), [~~or~~] (c), or (d).
- 1182 (7) "Property owner petition" means a petition under Subsection [17B-1-203\(1\)\(a\)](#).
- 1183 (8) "Property owner request" means a request under Section [17B-1-204](#) that is signed
- 1184 by owners of real property as provided in Subsection [17B-1-204\(2\)\(b\)\(i\)](#).
- 1185 (9) "Registered voter request" means a request under Section [17B-1-204](#) that is signed
- 1186 by registered voters as provided in Subsection [17B-1-204\(2\)\(b\)\(iii\)](#).
- 1187 (10) "Registered voter petition" means a petition under Subsection [17B-1-203\(1\)\(b\)](#).
- 1188 (11) "Request" means a request as described in Section [17B-1-204](#).
- 1189 (12) "Responsible body" means the governing body of:
- 1190 (a) the municipality in which the proposed special district is located, if the petition or
- 1191 resolution proposes the creation of a special district located entirely within a single
- 1192 municipality;
- 1193 (b) the county in which the proposed special district is located, if the petition or
- 1194 resolution proposes the creation of a special district located entirely within a single county and
- 1195 all or part of the proposed special district is located within:
- 1196 (i) the unincorporated part of the county; or
- 1197 (ii) more than one municipality within the county;
- 1198 (c) if the petition or resolution proposes the creation of a special district located within
- 1199 more than one county, the county whose boundaries include more of the area of the proposed
- 1200 special district than is included within the boundaries of any other county; or
- 1201 (d) the initiating special district, if a resolution proposing the creation of a special
- 1202 district is adopted under Subsection [~~[17B-1-203\(1\)\(c\)](#)~~] [17B-1-203\(1\)\(f\)](#).
- 1203 (13) "Responsible clerk" means:

1204 (a) except as provided in Subsection (13)(b), the clerk of the county or the clerk or
1205 recorder of the municipality whose legislative body is the responsible body; or

1206 (b) for the proposed creation of an infrastructure financing district, the clerk of the
1207 county in which the majority of the acreage within the boundary of the proposed infrastructure
1208 financing district is located.

1209 Section 12. Section **17B-1-202** is amended to read:

1210 **17B-1-202. Special district may be created -- Services that may be provided --**

1211 **Limitations.**

1212 (1) (a) A special district may be created as provided in this part to provide within its
1213 boundaries service consisting of:

1214 (i) the operation of an airport;

1215 (ii) the operation of a cemetery;

1216 (iii) fire protection, paramedic, and emergency services, including consolidated 911
1217 and emergency dispatch services;

1218 (iv) garbage collection and disposal;

1219 (v) health care, including health department or hospital service;

1220 (vi) the operation of a library;

1221 (vii) abatement or control of mosquitos and other insects;

1222 (viii) the operation of parks or recreation facilities or services;

1223 (ix) the operation of a sewage system;

1224 (x) the construction and maintenance of a right-of-way, including:

1225 (A) a curb;

1226 (B) a gutter;

1227 (C) a sidewalk;

1228 (D) a street;

1229 (E) a road;

1230 (F) a water line;

1231 (G) a sewage line;

1232 (H) a storm drain;

1233 (I) an electricity line;

1234 (J) a communications line;

- 1235 (K) a natural gas line; or
- 1236 (L) street lighting;
- 1237 (xi) transportation, including public transit and providing streets and roads;
- 1238 (xii) the operation of a system, or one or more components of a system, for the
- 1239 collection, storage, retention, control, conservation, treatment, supplying, distribution, or
- 1240 reclamation of water, including storm, flood, sewage, irrigation, and culinary water, whether
- 1241 the system is operated on a wholesale or retail level or both;
- 1242 (xiii) in accordance with Subsection (1)(c), the acquisition or assessment of a
- 1243 groundwater right for the development and execution of a groundwater management plan in
- 1244 cooperation with and approved by the state engineer in accordance with Section 73-5-15;
- 1245 (xiv) law enforcement service;
- 1246 (xv) subject to Subsection (1)(b), the underground installation of an electric utility line
- 1247 or the conversion to underground of an existing electric utility line;
- 1248 (xvi) the control or abatement of earth movement or a landslide;
- 1249 (xvii) the operation of animal control services and facilities; ~~or~~
- 1250 (xviii) an energy efficiency upgrade, a renewable energy system, or electric vehicle
- 1251 charging infrastructure as defined in Section 11-42a-102, in accordance with Title 11, Chapter
- 1252 42a, Commercial Property Assessed Clean Energy Act; or
- 1253 (xix) the financing of infrastructure, as provided in Chapter 2a, Part 13, Infrastructure
- 1254 Financing Districts.
- 1255 (b) Each special district that provides the service of the underground installation of an
- 1256 electric utility line or the conversion to underground of an existing electric utility line shall, in
- 1257 installing or converting the line, provide advance notice to and coordinate with the utility that
- 1258 owns the line.
- 1259 (c) A groundwater management plan described in Subsection (1)(a)(xiii) may include
- 1260 the banking of groundwater rights by a special district in a critical management area as defined
- 1261 in Section 73-5-15 following the adoption of a groundwater management plan by the state
- 1262 engineer under Section 73-5-15.
- 1263 (i) A special district may manage the groundwater rights it acquires under Subsection
- 1264 17B-1-103(2)(a) or (b) consistent with the provisions of a groundwater management plan
- 1265 described in this Subsection (1)(c).

1266 (ii) A groundwater right held by a special district to satisfy the provisions of a
1267 groundwater management plan is not subject to the forfeiture provisions of Section 73-1-4.

1268 (iii) (A) A special district may divest itself of a groundwater right subject to a
1269 determination that the groundwater right is not required to facilitate the groundwater
1270 management plan described in this Subsection (1)(c).

1271 (B) The groundwater right described in Subsection (1)(c)(iii)(A) is subject to Section
1272 73-1-4 beginning on the date of divestiture.

1273 (iv) Upon a determination by the state engineer that an area is no longer a critical
1274 management area as defined in Section 73-5-15, a groundwater right held by the special district
1275 is subject to Section 73-1-4.

1276 (v) A special district created in accordance with Subsection (1)(a)(xiii) to develop and
1277 execute a groundwater management plan may hold or acquire a right to surface waters that are
1278 naturally tributary to the groundwater basin subject to the groundwater management plan if the
1279 surface waters are appropriated in accordance with Title 73, Water and Irrigation, and used in
1280 accordance with Title 73, Chapter 3b, Groundwater Recharge and Recovery Act.

1281 (2) As used in this section:

1282 (a) "Operation" means all activities involved in providing the indicated service
1283 including acquisition and ownership of property reasonably necessary to provide the indicated
1284 service and acquisition, construction, and maintenance of facilities and equipment reasonably
1285 necessary to provide the indicated service.

1286 (b) "System" means the aggregate of interrelated components that combine together to
1287 provide the indicated service including, for a sewage system, collection and treatment.

1288 (3) (a) A special district may not be created to provide and may not after its creation
1289 provide more than four of the services listed in Subsection (1).

1290 (b) Subsection (3)(a) may not be construed to prohibit a special district from providing
1291 more than four services if, before April 30, 2007, the special district was authorized to provide
1292 those services.

1293 (4) (a) Except as provided in Subsection (4)(b), a special district may not be created to
1294 provide and may not after its creation provide to an area the same service that may already be
1295 provided to that area by another political subdivision, unless the other political subdivision
1296 gives its written consent.

1297 (b) For purposes of Subsection (4)(a), a special district does not provide the same
1298 service as another political subdivision if it operates a component of a system that is different
1299 from a component operated by another political subdivision but within the same:

1300 (i) sewage system; or

1301 (ii) water system.

1302 (5) (a) Except for a special district in the creation of which an election is not required
1303 under Subsection [17B-1-214\(3\)\(d\)](#), the area of a special district may include all or part of the
1304 unincorporated area of one or more counties and all or part of one or more municipalities.

1305 (b) The area of a special district need not be contiguous.

1306 (6) For a special district created before May 5, 2008, the authority to provide fire
1307 protection service also includes the authority to provide:

1308 (a) paramedic service; and

1309 (b) emergency service, including hazardous materials response service.

1310 (7) A special district created before May 11, 2010, authorized to provide the
1311 construction and maintenance of curb, gutter, or sidewalk may provide a service described in
1312 Subsection (1)(a)(x) on or after May 11, 2010.

1313 (8) A special district created before May 10, 2011, authorized to provide culinary,
1314 irrigation, sewage, or storm water services may provide a service described in Subsection
1315 (1)(a)(xii) on or after May 10, 2011.

1316 (9) A special district may not be created under this chapter for two years after the date
1317 on which a special district is dissolved as provided in Section [17B-1-217](#) if the special district
1318 proposed for creation:

1319 (a) provides the same or a substantially similar service as the dissolved special district;
1320 and

1321 (b) is located in substantially the same area as the dissolved special district.

1322 (10) An infrastructure financing district may not be created unless the estimated cost of
1323 the public infrastructure and improvements to be constructed within the boundary of the
1324 proposed infrastructure financing district exceeds \$1,000,000, as certified under Subsection
1325 [17B-1-208\(1\)\(c\)](#).

1326 (11) (a) Except as provided in Subsection (11)(b), the inclusion of an area within an
1327 infrastructure financing district does not affect whether the area may be included within

1328 another special district.

1329 (b) An infrastructure financing district may not include an area included within another
1330 infrastructure financing district.

1331 Section 13. Section 17B-1-203 is amended to read:

1332 **17B-1-203. Process to initiate the creation of a special district -- Petition or**
1333 **resolution.**

1334 (1) The process to create a special district may be initiated by:

1335 (a) unless the proposed special district is a special district to acquire or assess a
1336 groundwater right under Section 17B-1-202, and subject to Section 17B-1-204, a petition
1337 signed by the owners of private real property that:

1338 (i) is located within the proposed special district;

1339 (ii) covers at least 33% of the total private land area within the proposed special district
1340 as a whole and within each applicable area;

1341 (iii) is equal in value to at least 25% of the value of all private real property within the
1342 proposed special district as a whole and within each applicable area; and

1343 (iv) complies with the requirements of Subsection 17B-1-205(1) and Section
1344 17B-1-208;

1345 (b) subject to Section 17B-1-204, a petition that:

1346 (i) is signed by registered voters residing within the proposed special district as a whole
1347 and within each applicable area, equal in number to at least 33% of the number of votes cast in
1348 the proposed special district as a whole and in each applicable area, respectively, for the office
1349 of governor at the last regular general election prior to the filing of the petition; and

1350 (ii) complies with the requirements of Subsection 17B-1-205(1) and Section
1351 17B-1-208;

1352 (c) if the proposed special district is a special district to acquire or assess a
1353 groundwater right under Section 17B-1-202, and subject to Section 17B-1-204, a petition
1354 signed by the owners of groundwater rights that:

1355 (i) are diverted within the proposed special district;

1356 (ii) cover at least 33% of the total amount of groundwater diverted in accordance with
1357 groundwater rights within the proposed special district as a whole and within each applicable
1358 area; and

1359 (iii) comply with the requirements of Subsection [17B-1-205](#)(1) and Section [17B-1-208](#);

1360 (d) for the creation of an infrastructure financing district, a petition signed by 100% of
1361 the owners of surface property within the applicable area;

1362 [~~(d)~~] (e) a resolution proposing the creation of a special district, adopted by the
1363 legislative body of each county whose unincorporated area, whether in whole or in part,
1364 includes and each municipality whose boundaries include any of the proposed special district;
1365 or

1366 [~~(e)~~] (f) a resolution proposing the creation of a special district, adopted by the board of
1367 trustees of an existing special district whose boundaries completely encompass the proposed
1368 special district, if:

1369 (i) the proposed special district is being created to provide one or more components of
1370 the same service that the initiating special district is authorized to provide; and

1371 (ii) the initiating special district is not providing to the area of the proposed special
1372 district any of the components that the proposed special district is being created to provide.

1373 (2) (a) Each resolution under Subsection [~~(1)(d) or (e)~~] (1)(e) or (f) shall:

1374 (i) describe the area proposed to be included in the proposed special district;

1375 (ii) be accompanied by a map that shows the boundaries of the proposed special
1376 district;

1377 (iii) describe the service proposed to be provided by the proposed special district;

1378 (iv) if the resolution proposes the creation of a specialized special district, specify the
1379 type of specialized special district proposed to be created;

1380 (v) explain the anticipated method of paying the costs of providing the proposed
1381 service;

1382 (vi) state the estimated average financial impact on a household within the proposed
1383 special district;

1384 (vii) state the number of members that the board of trustees of the proposed special
1385 district will have, consistent with the requirements of Subsection [~~17B-1-302(4)~~]

1386 [17B-1-302\(8\)](#);

1387 (viii) for a proposed basic special district:

1388 (A) state whether the members of the board of trustees will be elected or appointed or
1389 whether some members will be elected and some appointed, as provided in Section

1390 17B-1-1402;

1391 (B) if one or more members will be elected, state the basis upon which each elected
1392 member will be elected; and

1393 (C) if applicable, explain how the election or appointment of board members will
1394 transition from one method to another based on stated milestones or events, as provided in
1395 Section 17B-1-1402;

1396 (ix) for a proposed improvement district whose remaining area members or county
1397 members, as those terms are defined in Section 17B-2a-404, are to be elected, state that those
1398 members will be elected; and

1399 (x) for a proposed service area that is entirely within the unincorporated area of a single
1400 county, state whether the initial board of trustees will be:

1401 (A) the county legislative body;

1402 (B) appointed as provided in Section 17B-1-304; or

1403 (C) elected as provided in Section 17B-1-306.

1404 (b) Each county or municipal legislative body adopting a resolution under Subsection
1405 ~~(+)(d)~~ (1)(e) shall, on or before the first public hearing under Section 17B-1-210, mail or
1406 deliver a copy of the resolution to the responsible body if the county or municipal legislative
1407 body's resolution is one of multiple resolutions adopted by multiple county or municipal
1408 legislative bodies proposing the creation of the same special district.

1409 Section 14. Section 17B-1-204 is amended to read:

1410 **17B-1-204. Request for service required before filing of petition -- Request**
1411 **requirements.**

1412 (1) ~~[A]~~ Except for a petition for the creation of an infrastructure financing district, a
1413 petition may not be filed until after:

1414 (a) a request has been filed with:

1415 (i) the clerk of each county in whose unincorporated area any part of the proposed
1416 special district is located; and

1417 (ii) the clerk or recorder of each municipality in which any part of the proposed special
1418 district is located; and

1419 (b) each county and municipality with which a request under Subsection (1)(a) is filed:

1420 (i) has adopted a resolution under Subsection 17B-1-212(1) indicating whether it will

1421 provide the requested service; or

1422 (ii) is considered to have declined to provide the requested service under Subsection
1423 17B-1-212(2) or (3).

1424 (2) Each request under Subsection (1)(a) shall:

1425 (a) ask the county or municipality to provide the service proposed to be provided by the
1426 proposed special district within the applicable area; and

1427 (b) be signed by:

1428 (i) unless the request is a request to create a special district to acquire or assess a
1429 groundwater right under Section 17B-1-202, the owners of private real property that:

1430 (A) is located within the proposed special district;

1431 (B) covers at least 10% of the total private land area within the applicable area; and

1432 (C) is equal in value to at least 7% of the value of all private real property within the
1433 applicable area;

1434 (ii) if the request is a request to create a special district to acquire or assess a
1435 groundwater right under Section 17B-1-202, the owners of groundwater rights that:

1436 (A) are diverted within the proposed special district; and

1437 (B) cover at least 10% of the amount of groundwater diverted in accordance with
1438 groundwater rights within the applicable area; or

1439 (iii) registered voters residing within the applicable area equal in number to at least
1440 10% of the number of votes cast in the applicable area for the office of governor at the last
1441 general election prior to the filing of the request.

1442 (3) For purposes of Subsections (1) and (2), an area proposed to be annexed to a
1443 municipality in a petition under Section 10-2-403 filed before and still pending at the time of
1444 filing of a petition shall be considered to be part of that municipality.

1445 Section 15. Section 17B-1-205 is amended to read:

1446 **17B-1-205. Petition and request requirements -- Withdrawal of signature.**

1447 (1) Each petition and request shall:

1448 (a) indicate the typed or printed name and current residence address of each property
1449 owner, groundwater right owner, or registered voter signing the petition;

1450 (b) (i) if it is a property owner request or petition, indicate the address of the property
1451 as to which the owner is signing the request or petition; or

- 1452 (ii) if it is a groundwater right owner request or petition, indicate the location of the
1453 diversion of the groundwater as to which the owner is signing the groundwater right owner
1454 request or petition;
- 1455 (c) describe the entire area of the proposed special district;
- 1456 (d) be accompanied by a map showing the boundaries of the entire proposed special
1457 district;
- 1458 (e) specify the service proposed to be provided by the proposed special district;
- 1459 (f) if the petition or request proposes the creation of a specialized special district,
1460 specify the type of specialized special district proposed to be created;
- 1461 (g) for a proposed basic special district:
- 1462 (i) state whether the members of the board of trustees will be elected or appointed or
1463 whether some members will be elected and some appointed, as provided in Section
1464 [17B-1-1402](#);
- 1465 (ii) if one or more members will be elected, state the basis upon which each elected
1466 member will be elected; and
- 1467 (iii) if applicable, explain how the election or appointment of board members will
1468 transition from one method to another based on stated milestones or events, as provided in
1469 Section [17B-1-1402](#);
- 1470 (h) for a proposed improvement district whose remaining area members or county
1471 members, as those terms are defined in Section [17B-2a-404](#), are to be elected, state that those
1472 members will be elected; ~~and~~
- 1473 (i) for a proposed service area that is entirely within the unincorporated area of a single
1474 county, state whether the initial board of trustees will be:
- 1475 (i) the county legislative body;
- 1476 (ii) appointed as provided in Section [17B-1-304](#); or
- 1477 (iii) elected as provided in Section [17B-1-306](#);
- 1478 (j) designate up to five signers of the petition or request as sponsors, one of whom shall
1479 be designated as the contact sponsor, with the mailing address and telephone number of each;
- 1480 (k) if the petition or request is a groundwater right owner petition or request proposing
1481 the creation of a special district to acquire a groundwater right under Section [17B-1-202](#),
1482 explain the anticipated method:

- 1483 (i) of paying for the groundwater right acquisition; and
- 1484 (ii) of addressing blowing dust created by the reduced use of water; [~~and~~]
- 1485 (l) if the petition or request is a groundwater right owner petition or request proposing
- 1486 the creation of a special district to assess a groundwater right under Section [17B-1-202](#), explain
- 1487 the anticipated method:
- 1488 (i) of assessing the groundwater right and securing payment of the assessment; and
- 1489 (ii) of addressing blowing dust created by the reduced use of water[-]; and
- 1490 (m) for a proposed infrastructure financing district:
- 1491 (i) state whether the members of the board of trustees will be elected or appointed or
- 1492 whether some members will be elected and some appointed;
- 1493 (ii) if one or more members will be elected, state the basis upon which each elected
- 1494 member will be elected;
- 1495 (iii) explain how appointed board member positions will transition to elected board
- 1496 member positions based on stated milestones or events, as provided in Section [17B-2a-1303](#);
- 1497 (iv) state whether divisions will be established within the boundary of the
- 1498 infrastructure financing district so that some or all board members represent a division rather
- 1499 than the district at large and, if so, describe the boundary of each division; and
- 1500 (v) if applicable, be accompanied by the governing document prepared according to
- 1501 Section [17B-2a-1303](#).
- 1502 (2) (a) [~~A~~] Subject to Subsection (2)(b), a signer of a request or petition may withdraw
- 1503 or, once withdrawn, reinstate the signer's signature at any time before the filing of the request
- 1504 or petition by filing a written withdrawal or reinstatement with:
- 1505 [~~(a)~~] (i) in the case of a request:
- 1506 [~~(i)~~] (A) the clerk of the county or the clerk or recorder of the municipality in whose
- 1507 applicable area the signer's property is located, if the request is a property owner request;
- 1508 [~~(ii)~~] (B) the clerk of the county or the clerk or recorder of the municipality in whose
- 1509 applicable area the signer's groundwater diversion point is located, if the request is a
- 1510 groundwater right owner request; or
- 1511 [~~(iii)~~] (C) the clerk of the county or the clerk or recorder of the municipality in whose
- 1512 applicable area the signer resides, if the request is a registered voter request; or
- 1513 [~~(b)~~] (ii) in the case of a petition, the responsible clerk.

1514 (b) The time for a signer of a petition for the creation of an infrastructure financing
 1515 district to withdraw or reinstate the signer's signature is any time before the petition is certified
 1516 under Section 17B-1-209.

1517 (3) (a) A clerk of the county who receives a timely, valid written withdrawal or
 1518 reinstatement from a signer of a registered voter request or registered voter petition shall use
 1519 the procedures described in Subsection 20A-1-1003(3) to determine whether to remove or
 1520 reinstate the individual's signature.

1521 (b) If a municipal clerk or recorder receives a timely, valid written withdrawal or
 1522 reinstatement from a signer of a registered voter request or registered voter petition, the clerk of
 1523 the municipality's county shall assist the municipal clerk or recorder with determining whether
 1524 to remove or reinstate the individual's signature using the procedures described in Subsection
 1525 20A-1-1003(3).

1526 Section 16. Section 17B-1-208 is amended to read:

1527 **17B-1-208. Additional petition requirements and limitations.**

1528 (1) (a) Each petition shall:

1529 ~~[(a)]~~ (i) be filed with the responsible clerk;

1530 ~~[(b)]~~ (ii) separately group signatures by county and municipality, so that all signatures
 1531 of the owners of real property located within or of registered voters residing within each county
 1532 whose unincorporated area includes and each municipality whose boundaries include part of
 1533 the proposed special district are grouped separately; and

1534 ~~[(c)]~~ (iii) (A) state the number of members that the board of trustees of the proposed
 1535 special district will have, consistent with the requirements of Subsection [~~17B-1-302(4)~~]; ~~§~~→ **17B-**

1535a **1-302(8)** ←~~§~~ ; and

1536 (B) for a petition proposing the creation of an infrastructure financing district, include
 1537 the name and address of each of the proposed board members.

1538 (b) (i) A petition for the creation of an infrastructure financing district shall state the
 1539 name of the proposed infrastructure financing district.

1540 (ii) The name of an infrastructure financing district shall include the phrase
 1541 "infrastructure financing district."

1542 (c) A petition for the creation of an infrastructure financing district shall be
 1543 accompanied by a written statement, signed by an engineer licensed under Title 58, Chapter 22,
 1544 Professional Engineers and Professional Land Surveyors ~~§~~→ **Licensing Act** ←~~§~~ , certifying that the

1544a estimated cost of

1545 the public infrastructure and improvements to be constructed in the proposed infrastructure
1546 financing district exceeds \$1,000,000.

1547 (2) (a) A petition may not propose the creation of a special district that includes an area
1548 located within the unincorporated part of a county or within a municipality if the legislative
1549 body of that county or municipality has adopted a resolution under Subsection 17B-1-212(1)
1550 indicating that the county or municipality will provide to that area the service proposed to be
1551 provided by the proposed special district.

1552 (b) Subsection (2)(a) does not apply if the county or municipal legislative body is
1553 considered to have declined to provide the requested service under Subsection 17B-1-212(3).

1554 (c) Subsection (2)(a) may not be construed to prevent the filing of a petition that
1555 proposes the creation of a special district whose area excludes that part of the unincorporated
1556 area of a county or that part of a municipality to which the county or municipality has
1557 indicated, in a resolution adopted under Section 17B-1-212, it will provide the requested
1558 service.

1559 (3) A petition may not propose the creation of a special district whose area includes:

1560 (a) some or all of an area described in a previously filed petition that, subject to
1561 Subsection 17B-1-202(4)(b):

1562 (i) proposes the creation of a special district to provide the same service as proposed by
1563 the later filed petition; and

1564 (ii) is still pending at the time the later petition is filed; or

1565 (b) some or all of an area within a political subdivision that provides in that area the
1566 same service proposed to be provided by the proposed special district.

1567 (4) A petition may not be filed more than 12 months after a county or municipal
1568 legislative body declines to provide the requested service under Subsection 17B-1-212(1) or is
1569 considered to have declined to provide the requested service under Subsection 17B-1-212(2) or
1570 (3).

1571 Section 17. Section 17B-1-209 is amended to read:

1572 **17B-1-209. Petition certification -- Amended petition.**

1573 (1) No later than five days after the day on which a petition is filed, the responsible
1574 clerk shall mail a copy of the petition to the clerk of each other county and the clerk or recorder
1575 of each municipality in which any part of the proposed special district is located.

1576 (2) (a) No later than 35 days after the day on which a petition is filed, the clerk of each
 1577 county whose unincorporated area includes and the clerk or recorder of each municipality
 1578 whose boundaries include part of the proposed special district shall:

1579 (i) with the assistance of other county or municipal officers from whom the county
 1580 clerk or municipal clerk or recorder requests assistance, determine, for the clerk or recorder's
 1581 respective county or municipality, whether the petition complies with the requirements of
 1582 Subsection 17B-1-203(1)(a), (b), ~~or~~ (c), or (d), as the case may be, and Subsections
 1583 17B-1-208(2), (3), and (4); and

1584 (ii) notify the responsible clerk in writing of the clerk or recorder's determination under
 1585 Subsection (2)(a)(i).

1586 (b) The responsible clerk may rely on the determinations of other county clerks or
 1587 municipal clerks or recorders under Subsection (2)(a) in making the responsible clerk's
 1588 determinations and certification or rejection under Subsection (3).

1589 (3) (a) Within 45 days after the filing of a petition, the responsible clerk shall~~(i)~~
 1590 determine whether the petition complies with Subsection 17B-1-203(1)(a), (b), ~~or~~ (c), or (d),
 1591 as the case may be, Subsection 17B-1-205(1), and Section 17B-1-208~~(i)~~and.

1592 ~~(ii) (A) if~~ (b) (i) If the responsible clerk determines that the petition complies with the
 1593 applicable requirements, the responsible clerk shall, within the time specified in Subsection
 1594 (3)(a):

1595 ~~(i) (A)~~ ~~(Aa)~~ certify the petition ~~and~~ as complying with all applicable requirements;

1596 ~~(B)~~ deliver the certified petition ~~to the responsible body~~ as provided in Subsection
 1597 (3)(b)(iii); and

1598 ~~(Bb)~~ (C) mail or deliver written notification of the certification and a copy of the
 1599 certified petition to the contact sponsor~~(i)~~.

1600 ~~(ii) (i)~~ ~~for~~ For each petition described in Subsection ~~(3)(b)(i);~~ ~~§~~ ~~→~~ ~~(3)(e)(i)~~ (3)(d)(i)

1600a ~~←~~ ~~§~~ , the

1601 responsible clerk shall, within the time specified in Subsection (3)(a), deliver a copy of the
 1602 petition to the legislative body of each county whose unincorporated area includes and each
 1603 municipality whose boundaries include any of the proposed basic special district, with a notice
 1604 indicating that the clerk has determined that the petition complies with all applicable
 1605 requirements~~(i)~~.

1606 (iii) (A) Except as provided in Subsection (3)(b)(iii)(B), the responsible clerk shall

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1607 deliver the certified petition to the responsible body.

1608 (B) For a petition proposing the creation of an infrastructure financing district, the
1609 responsible clerk shall deliver the certified petition to the lieutenant governor.

1610 (iv) If the responsible clerk certifies a petition proposing the creation of an
1611 infrastructure district, the responsible clerk shall, within the time specified in Subsection (3)(a),
1612 file with the lieutenant governor, in addition to the certified petition:

1613 (A) a copy of a notice of an impending boundary action, as defined in Section
1614 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and

1615 (B) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5.

1616 ~~[(B)]~~ (c) [if] If the responsible clerk determines that the petition fails to comply with
1617 any of the applicable requirements, the responsible clerk shall reject the petition and notify the
1618 contact sponsor in writing of the rejection and the reasons for the rejection.

1619 ~~[(b)]~~ (d) (i) A petition for which an election is not required under Subsection
1620 17B-1-214(3) and that proposes the creation of a basic special district that has within its
1621 boundaries fewer than one residential dwelling unit per 10 acres of land may not be certified
1622 without the approval, by resolution, of the legislative body of each county whose
1623 unincorporated area includes and each municipality whose boundaries include any of the
1624 proposed special district.

1625 (ii) Before adopting a resolution giving its approval under Subsection ~~[(3)(b)(i)]~~
1626 (3)(d)(i), a county or municipal legislative body may hold one or more public hearings on the
1627 petition.

1628 (iii) If a petition described in Subsection ~~[(3)(b)(i)]~~ (3)(d)(i) is approved as provided in
1629 that subsection, the responsible clerk shall, within 10 days after its approval:

1630 (A) certify the petition and deliver the certified petition to the responsible body; and

1631 (B) mail or deliver written notification of the certification to the contact sponsor.

1632 (4) Except for a petition described in Subsection ~~[(3)(b)(i)]~~ (3)(d)(i), if the responsible
1633 clerk fails to certify or reject a petition within 45 days after ~~[its filing]~~ the petition is filed, the
1634 petition ~~[shall be]~~ is considered to be certified.

1635 (5) (a) If a petition for the creation of an infrastructure financing district is considered
1636 to be certified under Subsection (4) and the responsible clerk has failed to comply with the
1637 requirements of Subsection (3)(b)(iv), the petition sponsors may notify the lieutenant governor

1638 in writing that the petition is considered to be certified.

1639 (b) The petition sponsors notification to the lieutenant governor under Subsection

1640 (5)(a) shall be accompanied by:

1641 (i) the petition proposing the creation of an infrastructure financing district;

1642 (ii) a statement indicating the date that the petition was filed and certifying that the
1643 responsible clerk failed to certify the petition within the time specified in Subsection (3)(a);

1644 (iii) a copy of the engineer's written statement described in Subsection
1645 17B-1-208(1)(c);

1646 (iv) a copy of a notice of an impending boundary action, as defined in Section
1647 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and

1648 (v) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5.

1649 ~~[(5)]~~ (6) The responsible clerk shall certify or reject petitions in the order in which they
1650 are filed.

1651 ~~[(6)]~~ (7) (a) If the responsible clerk rejects a petition under Subsection ~~[(3)(a)(ii)(B)]~~
1652 (3)(c), the petition may be amended to correct the deficiencies for which it was rejected and
1653 then refiled.

1654 (b) A valid signature on a petition that was rejected under Subsection ~~[(3)(a)(ii)(B)]~~
1655 (3)(c) may be used toward fulfilling the applicable signature requirement of the petition as
1656 amended under Subsection (6)(a).

1657 (c) If a petition is amended and refiled under Subsection (6)(a) after having been
1658 rejected by the responsible clerk under Subsection ~~[(3)(a)(ii)(B)]~~ (3)(c), the amended petition
1659 shall be considered as newly filed, and its processing priority shall be determined by the date
1660 on which it is refiled.

1661 ~~[(7)]~~ (8) The responsible clerk and each county clerk and municipal clerk or recorder
1662 shall:

1663 (a) act in good faith in making the determinations under this section; and

1664 (b) with the assistance of the county clerk if necessary, and as applicable, use the
1665 procedures described in Section 20A-1-1002 to determine whether a signer is a registered
1666 voter.

1667 Section 18. Section 17B-1-210 is amended to read:

1668 **17B-1-210. Public hearing.**

1669 (1) The legislative body of each county and municipality with which a request is filed
1670 or that adopts a resolution under Subsection [~~17B-1-203(1)(d)~~] 17B-1-203(1)(e) and the board
1671 of trustees of each special district that adopts a resolution under Subsection [~~17B-1-203(1)(e)~~]
1672 17B-1-203(1)(f) shall hold a public hearing or a set of public hearings, sufficient in number and
1673 location to ensure that no substantial group of residents of the proposed special district need
1674 travel an unreasonable distance to attend a public hearing.

1675 (2) Each public hearing under Subsection (1) shall be held:

1676 (a) no later than 45 days after:

1677 (i) for a public hearing on a request, certification of a request under Subsection

1678 17B-1-206(1)(b)(i); or

1679 (ii) for a public hearing on a resolution, adoption of a resolution under Subsection

1680 [~~17B-1-203(1)(d) or (e)~~] 17B-1-203(1)(e) or (f);

1681 (b) within the proposed special district;

1682 (c) except as provided in Subsections (6) and (7), within the applicable area; and

1683 (d) for the purpose of:

1684 (i) for a public hearing on a request, allowing public input on:

1685 (A) whether the requested service is needed in the area of the proposed special district;

1686 (B) whether the service should be provided by the county or municipality or the

1687 proposed special district; and

1688 (C) all other matters relating to the request or the proposed special district; or

1689 (ii) for a public hearing on a resolution, allowing the public to ask questions of and

1690 obtain further information from the governing body holding the hearing regarding the issues

1691 contained in or raised by the resolution.

1692 (3) A quorum of each governing body holding a public hearing under this section shall
1693 be present throughout each hearing held by that governing body.

1694 (4) Each hearing under this section shall be held on a weekday evening other than a
1695 holiday beginning no earlier than 6 p.m.

1696 (5) At the beginning and end of each hearing concerning a resolution, the governing
1697 body shall announce the deadline for filing protests and generally explain the protest procedure
1698 and requirements.

1699 (6) Two or more county or municipal legislative bodies may jointly hold a hearing or

1700 set of hearings required under this section if all the requirements of this section, other than the
1701 requirements of Subsection (2)(c), are met as to each hearing.

1702 (7) Notwithstanding Subsection (2)(c), a governing body may hold a public hearing or
1703 set of public hearings outside the applicable area if:

1704 (a) there is no reasonable place to hold a public hearing within the applicable area; and

1705 (b) the public hearing or set of public hearings is held as close to the applicable area as
1706 reasonably possible.

1707 Section 19. Section **17B-1-211** is amended to read:

1708 **17B-1-211. Notice of public hearings -- Publication of resolution.**

1709 (1) Before holding a public hearing or set of public hearings under Section **17B-1-210**,
1710 the legislative body of each county or municipality with which a request is filed or that adopts a
1711 resolution under Subsection [~~17B-1-203(1)(d)~~] **17B-1-203(1)(e)** and the board of trustees of
1712 each special district that adopts a resolution under Subsection [~~17B-1-203(1)(e)~~]
1713 **17B-1-203(1)(f)** shall publish notice for the proposed special district, as a class B notice under
1714 Section **63G-30-102**, for at least two weeks before the day of the hearing or the day of the first
1715 of the set of hearings.

1716 (2) Each notice required under Subsection (1) shall:

1717 (a) if the hearing or set of hearings is concerning a resolution:

1718 (i) contain the entire text or an accurate summary of the resolution; and

1719 (ii) state the deadline for filing a protest against the creation of the proposed special
1720 district;

1721 (b) clearly identify each governing body involved in the hearing or set of hearings;

1722 (c) state the date, time, and place for the hearing or set of hearings and the purposes for
1723 the hearing or set of hearings; and

1724 (d) describe or include a map of the entire proposed special district.

1725 (3) County or municipal legislative bodies may jointly provide the notice required
1726 under this section if all the requirements of this section are met as to each notice.

1727 Section 20. Section **17B-1-213** is amended to read:

1728 **17B-1-213. Protest after adoption of resolution -- Adoption of resolution**
1729 **approving creation for certain districts.**

1730 (1) For purposes of this section, "adequate protests" means protests that are:

1731 (a) filed with the county clerk, municipal clerk or recorder, or special district secretary
1732 or clerk, as the case may be, within 60 days after the last public hearing required under Section
1733 [17B-1-210](#); and

1734 (b) signed by:

1735 (i) the owners of private real property that:

1736 (A) is located within the proposed special district;

1737 (B) covers at least 25% of the total private land area within the applicable area; and

1738 (C) is equal in value to at least 15% of the value of all private real property within the
1739 applicable area; or

1740 (ii) registered voters residing within the applicable area equal in number to at least 25%
1741 of the number of votes cast in the applicable area for the office of president of the United States
1742 at the most recent election prior to the adoption of the resolution.

1743 (2) An owner may withdraw a protest at any time before the expiration of the 60-day
1744 period described in Subsection (1)(a).

1745 (3) If adequate protests are filed, the governing body that adopted a resolution under
1746 Subsection [~~[17B-1-203\(1\)\(d\) or \(e\)](#)~~ [17B-1-203\(1\)\(e\) or \(f\)](#):

1747 (a) may not:

1748 (i) hold or participate in an election under Subsection [17B-1-214\(1\)](#) with respect to the
1749 applicable area;

1750 (ii) take any further action under the protested resolution to create a special district or
1751 include the applicable area in a special district; or

1752 (iii) for a period of two years, adopt a resolution under Subsection [~~[17B-1-203\(1\)\(d\) or](#)~~
1753 ~~[\(e\)](#)~~ [17B-1-203\(1\)\(e\) or \(f\)](#) proposing the creation of a special district including substantially
1754 the same area as the applicable area and providing the same service as the proposed special
1755 district in the protested resolution; and

1756 (b) shall, within five days after receiving adequate protests, mail or deliver written
1757 notification of the adequate protests to the responsible body.

1758 (4) Subsection (3)(a) may not be construed to prevent an election from being held for a
1759 proposed special district whose boundaries do not include an applicable area that is the subject
1760 of adequate protests.

1761 (5) (a) If adequate protests are not filed with respect to a resolution proposing the

1762 creation of a special district for which an election is not required under Subsection
1763 17B-1-214(3)(d), (e), (f), or (g), a resolution approving the creation of the special district shall
1764 be adopted by:

1765 (i) (A) the legislative body of a county whose unincorporated area is included within
1766 the proposed special district; and

1767 (B) the legislative body of a municipality whose area is included within the proposed
1768 special district; or

1769 (ii) the board of trustees of the initiating special district.

1770 (b) Each resolution adopted under Subsection (5)(a) shall:

1771 (i) describe the area included in the special district;

1772 (ii) be accompanied by a map that shows the boundaries of the special district;

1773 (iii) describe the service to be provided by the special district;

1774 (iv) state the name of the special district; and

1775 (v) provide a process for the appointment of the members of the initial board of
1776 trustees.

1777 Section 21. Section 17B-1-214 is amended to read:

1778 **17B-1-214. Election -- Exceptions.**

1779 (1) (a) Except as provided in Subsection (3) and in Subsection 17B-1-213(3)(a), an
1780 election on the question of whether the special district should be created shall be held by:

1781 (i) if the proposed special district is located entirely within a single county, the
1782 responsible clerk; or

1783 (ii) except as provided under Subsection (1)(b), if the proposed special district is
1784 located within more than one county, the clerk of each county in which part of the proposed
1785 special district is located, in cooperation with the responsible clerk.

1786 (b) Notwithstanding Subsection (1)(a)(ii), if the proposed special district is located
1787 within more than one county and the only area of a county that is included within the proposed
1788 special district is located within a single municipality, the election for that area shall be held by
1789 the municipal clerk or recorder, in cooperation with the responsible clerk.

1790 (2) Each election under Subsection (1) shall be held at the next special or regular
1791 general election date that is:

1792 (a) for an election pursuant to a property owner or registered voter petition, more than

1793 45 days after certification of the petition under [~~Subsection 17B-1-209(3)(a)~~] Subsections
1794 17B-1-209(3)(a), (b), and (c); or

1795 (b) for an election pursuant to a resolution, more than 60 days after the latest hearing
1796 required under Section 17B-1-210.

1797 (3) The election requirement of Subsection (1) does not apply to:

1798 (a) a petition filed under Subsection 17B-1-203(1)(a) if it contains the signatures of the
1799 owners of private real property that:

1800 (i) is located within the proposed special district;

1801 (ii) covers at least 67% of the total private land area within the proposed special district
1802 as a whole and within each applicable area; and

1803 (iii) is equal in value to at least 50% of the value of all private real property within the
1804 proposed special district as a whole and within each applicable area;

1805 (b) a petition filed under Subsection 17B-1-203(1)(b) if it contains the signatures of
1806 registered voters residing within the proposed special district as a whole and within each
1807 applicable area, equal in number to at least 67% of the number of votes cast in the proposed
1808 special district as a whole and in each applicable area, respectively, for the office of governor at
1809 the last general election prior to the filing of the petition;

1810 (c) a groundwater right owner petition filed under Subsection 17B-1-203(1)(c) if the
1811 petition contains the signatures of the owners of groundwater rights that:

1812 (i) are diverted within the proposed special district; and

1813 (ii) cover at least 67% of the total amount of groundwater diverted in accordance with
1814 groundwater rights within the proposed special district as a whole and within each applicable
1815 area;

1816 (d) a resolution adopted under Subsection [~~17B-1-203(1)(d)~~] 17B-1-203(1)(e) on or
1817 after May 5, 2003, that proposes the creation of a special district to provide fire protection,
1818 paramedic, and emergency services or law enforcement service, if the proposed special district:

1819 (i) includes the unincorporated area, whether in whole or in part, of one or more
1820 counties; or

1821 (ii) consists of an area that:

1822 (A) has a boundary that is the same as the boundary of the municipality whose
1823 legislative body adopts the resolution proposing the creation of the special district;

1824 (B) previously received fire protection, paramedic, and emergency services or law
1825 enforcement service from another special district; and

1826 (C) may be withdrawn from the other special district under Section [17B-1-505](#) without
1827 an election because the withdrawal is pursuant to an agreement under Subsection
1828 [17B-1-505\(5\)\(a\)\(ii\)\(A\)](#) or (5)(b);

1829 (e) a resolution adopted under Subsection [~~[17B-1-203\(1\)\(d\)](#)~~ or (e)] [17B-1-203\(1\)\(e\)](#) or
1830 (f) if the resolution proposes the creation of a special district that has no registered voters
1831 within its boundaries;

1832 (f) a resolution adopted under Subsection [~~[17B-1-203\(1\)\(d\)](#)~~] [17B-1-203\(1\)\(e\)](#) on or
1833 after May 11, 2010, that proposes the creation of a special district described in Subsection
1834 [17B-1-202\(1\)\(a\)\(xiii\)](#); [or]

1835 (g) a resolution adopted under Section [17B-2a-1105](#) to create a municipal services
1836 district; or

1837 (h) a petition for the creation of an infrastructure financing district.

1838 (4) (a) If the proposed special district is located in more than one county, the
1839 responsible clerk shall coordinate with the clerk of each other county and the clerk or recorder
1840 of each municipality involved in an election under Subsection (1) so that the election is held on
1841 the same date and in a consistent manner in each jurisdiction.

1842 (b) The clerk of each county and the clerk or recorder of each municipality involved in
1843 an election under Subsection (1) shall cooperate with the responsible clerk in holding the
1844 election.

1845 (c) Except as otherwise provided in this part, each election under Subsection (1) shall
1846 be governed by Title 20A, Election Code.

1847 Section 22. Section **17B-1-215** is amended to read:

1848 **17B-1-215. Notice and plat to lieutenant governor -- Recording requirements --**
1849 **Certificate of incorporation -- Special district incorporated as specialized special district**
1850 **or basic special district -- Effective date.**

1851 (1) (a) Within the time specified in Subsection (1)(b) and except as provided in Section
1852 [17B-1-209](#) for a petition proposing the creation of an infrastructure financing district, the
1853 responsible body shall file with the lieutenant governor:

1854 (i) if applicable, a copy of the petition certified, under Section [17B-1-209](#), as

1855 complying with all applicable requirements;

1856 [~~(i)~~] (ii) a copy of a notice of an impending boundary action, as defined in Section
1857 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and

1858 [~~(i)~~] (iii) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5.

1859 (b) The responsible body shall file the documents listed in Subsection (1)(a) with the
1860 lieutenant governor within 10 days after:

1861 (i) the canvass of an election under Section 17B-1-214, if a majority of those voting at
1862 the election within the proposed special district as a whole vote in favor of the creation of a
1863 special district;

1864 (ii) certification of a petition as to which the election requirement of Subsection
1865 17B-1-214(1) does not apply because of Subsection 17B-1-214(3)(a), (b), [~~or~~] (c), or (h); or

1866 (iii) adoption of a resolution, under Subsection 17B-1-213(5) approving the creation of
1867 a special district for which an election was not required under Subsection 17B-1-214(3)(d), (e),
1868 (f), or (g) by the legislative body of each county whose unincorporated area is included within
1869 and the legislative body of each municipality whose area is included within the proposed
1870 special district, or by the board of trustees of the initiating special district.

1871 (2) Upon the lieutenant governor's issuance of a certificate of incorporation under
1872 Section 67-1a-6.5, the responsible body shall:

1873 (a) if the special district is located within the boundary of a single county, submit to the
1874 recorder of that county:

1875 (i) the original:

1876 (A) notice of an impending boundary action;

1877 (B) certificate of incorporation; and

1878 (C) approved final local entity plat; and

1879 (ii) if applicable, a certified copy of each resolution adopted under Subsection
1880 17B-1-213(5); or

1881 (b) if the special district is located within the boundaries of more than a single county:

1882 (i) submit to the recorder of one of those counties:

1883 (A) the original of the documents listed in Subsections (2)(a)(i)(A), (B), and (C); and

1884 (B) if applicable, a certified copy of each resolution adopted under Subsection

1885 17B-1-213(5); and

- 1886 (ii) submit to the recorder of each other county:
- 1887 (A) a certified copy of the documents listed in Subsection (2)(a)(i)(A), (B), and (C);
- 1888 and
- 1889 (B) if applicable, a certified copy of each resolution adopted under Subsection
- 1890 [17B-1-213](#)(5).
- 1891 (3) The area of each special district consists of:
- 1892 (a) if an election was held under Section [17B-1-214](#), the area of the new special district
- 1893 as approved at the election;
- 1894 (b) if an election was not required because of Subsection [17B-1-214](#)(3)(a), (b), ~~or~~ (c),
- 1895 or (h), the area of the proposed special district as described in the petition; or
- 1896 (c) if an election was not required because of Subsection [17B-1-214](#)(3)(d), (e), (f), or
- 1897 (g), the area of the new special district as described in the resolution adopted under Subsection
- 1898 [17B-1-213](#)(5).
- 1899 (4) (a) Upon the lieutenant governor's issuance of the certificate of incorporation under
- 1900 Section [67-1a-6.5](#), the special district is created and incorporated as:
- 1901 (i) the type of specialized special district that was specified in the petition under
- 1902 Subsection [17B-1-203](#)(1)(a), (b), ~~or~~ (c), or (d) or resolution under Subsection
- 1903 ~~[[17B-1-203](#)(1)(d) or (e)]~~ [17B-1-203](#)(1)(e) or (f), if the petition or resolution proposed the
- 1904 creation of a specialized special district; or
- 1905 (ii) a basic special district, if the petition or resolution did not propose the creation of a
- 1906 specialized special district.
- 1907 (b) (i) The effective date of a special district's incorporation for purposes of assessing
- 1908 property within the special district is governed by Section [59-2-305.5](#).
- 1909 (ii) Until the documents listed in Subsection (2) are recorded in the office of the
- 1910 recorder of each county in which the property is located, a newly incorporated special district
- 1911 may not:
- 1912 (A) levy or collect a property tax on property within the special district;
- 1913 (B) levy or collect an assessment on property within the special district; ~~or~~
- 1914 (C) charge or collect a fee for service provided to property within the special district~~[-]~~;
- 1915 or
- 1916 (D) issue bonds.

1917 Section 23. Section **17B-1-216** is amended to read:

1918 **17B-1-216. Costs and expenses of creating a special district.**

1919 (1) (a) Except as provided in Subsection (2) and subject to Subsection (1)(b), each
 1920 county whose unincorporated area includes and each municipality whose boundaries include
 1921 some or all of the proposed special district shall bear their respective costs and expenses
 1922 associated with the procedure under this part for creating a special district.

1923 [~~(2)~~] (b) Within a year after its creation, each special district shall reimburse the costs
 1924 and expenses associated with the preparation, certification, and recording of the approved final
 1925 local entity plat of the special district and accompanying documents under Section **17B-1-215**.

1926 (2) (a) Subject to Subsection (2)(b), the sponsors of a petition for the creation of an
 1927 infrastructure financing district shall bear the costs and expenses associated with the procedure
 1928 under this part for creating the infrastructure financing district.

1929 (b) An infrastructure financing district may reimburse petition sponsors the costs and
 1930 expenses the petition sponsors paid under Subsection (2)(a).

1931 Section 24. Section **17B-1-219** is enacted to read:

1932 **17B-1-219. Provisions not applicable to the creation of an infrastructure financing**
 1933 **district.**

1934 Sections **17B-1-210, 17B-1-211, 17B-1-212, ~~§~~ and ~~§~~ 17B-1-213** do not apply to the
 1934a proposed
 1935 creation of an infrastructure financing district.

1936 Section 25. Section **17B-1-302** is amended to read:

1937 **17B-1-302. Board member qualifications -- Number of board members.**

1938 (1) Except as provided in Section **17B-2a-905**, each member of a special district board
 1939 of trustees shall be:

1940 (a) a registered voter at the location of the member's residence; and

1941 (b) except as otherwise provided in Subsection (2) [~~or~~], (3), or (4), a resident within:

1942 (i) the boundaries of the special district; and

1943 (ii) if applicable, the boundaries of the division of the special district from which the
 1944 member is elected or appointed.

1945 (2) (a) As used in this Subsection (2):

1946 (i) "Proportional number" means the number of members of a board of trustees that
 1947 bears, as close as mathematically possible, the same proportion to all members of the board that

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1948 the number of seasonally occupied homes bears to all residences within the district that receive
 1949 service from the district.

1950 (ii) "Seasonally occupied home" means a single-family residence:

1951 (A) that is located within the special district;

1952 (B) that receives service from the special district; and

1953 (C) whose owner occupies the residence on a temporary or seasonal basis, rather than
 1954 as the principal place of residence as defined in Section 20A-2-105.

1955 (b) If over 50% of the residences within a special district that receive service from the
 1956 special district are seasonally occupied homes, the requirement under Subsection (1)(b) is
 1957 replaced, for a proportional number of members of the board of trustees, with the requirement
 1958 that the member be an owner of land, or an agent or officer of the owner of land:

1959 (i) that receives, or intends to receive, service from the district; and

1960 (ii) that is located within the special district and, if applicable, the division from which
 1961 the member is elected.

1962 (3) (a) ~~[For]~~ Subsection (3)(b) applies to a board of trustees member in:

1963 (i) a basic special district~~[-or in]~~;

1964 (ii) any other type of special district that is located solely within a county of the fourth,
 1965 fifth, or sixth class, that has within the district's boundaries fewer than one residential dwelling
 1966 unit per 10 acres of land~~[-];~~ or

1967 (iii) an infrastructure financing district.

1968 (b) For a board of trustees member in a special district listed in Subsection (3)(a), the
 1969 board of trustees may replace the requirement under Subsection (1)(b) ~~[may be replaced by]~~
 1970 with the requirement that the member be:

1971 (i) a resident within the boundaries of the special district; or

1972 (ii) an owner of land, or an agent or officer of the owner of land, that:

1973 (A) is located within the special district ~~[that]~~; and

1974 (B) receives, or ~~[intends]~~ is expected to receive, service from the district.

1975 (4) A board member of an infrastructure financing district is not required to be a
 1976 resident within the boundary of the infrastructure financing district if:

1977 (a) all owners of surface property within the district waive the residency requirement;

1978 (b) the district boundary does not include any residents; or

1979 (c) (i) in the case of an appointed board position, no qualified individual timely files to
 1980 be considered for appointment to the board; or

1981 (ii) in the case of an elected board position, no qualified individual files a declaration
 1982 of candidacy for the board position under Subsection 17B-1-306(5).

1983 ~~[(b)]~~ (5) A member of the board of trustees of a service area described in Subsection
 1984 17B-2a-905(2)(a) or (3)(a), who is an elected official of the county appointing the individual, is
 1985 not subject to the requirements described in Subsection (1)(b) if the elected official was elected
 1986 at large by the voters of the county.

1987 ~~[(e)]~~ (6) Notwithstanding Subsection (1)(b) and except as provided in Subsection
 1988 ~~[(3)(d)]~~ (7), the county legislative body may appoint to the special district board one of the
 1989 county legislative body's own members, regardless of whether the member resides within the
 1990 boundaries described in Subsection (1)(b), if:

1991 ~~[(i)]~~ (a) the county legislative body satisfies the procedures to fill a vacancy described
 1992 in:

1993 ~~[(A)]~~ (i) for the appointment of a new board member, Subsections 17B-1-304(2) and
 1994 (3); or

1995 ~~[(B)]~~ (ii) for an appointment to fill a midterm vacancy, Subsection 20A-1-512(1)(a)(ii)
 1996 or Subsection 20A-1-512(2);

1997 ~~[(ii)]~~ (b) fewer qualified candidates timely file to be considered for appointment to the
 1998 special district board than are necessary to fill the board;

1999 ~~[(iii)]~~ (c) the county legislative body appoints each of the qualified candidates who
 2000 timely filed to be considered for appointment to the board; and

2001 ~~[(iv)]~~ (d) the county legislative body appoints a member of the body to the special
 2002 district board, in accordance with Subsection 17B-1-304(6) or Subsection 20A-1-512(1)(c),
 2003 who was:

2004 ~~[(A)]~~ (i) elected at large by the voters of the county;

2005 ~~[(B)]~~ (ii) elected from a division of the county that includes more than 50% of the
 2006 geographic area of the special district; or

2007 ~~[(C)]~~ (iii) if the special district is divided into divisions under Section 17B-1-306.5,
 2008 elected from a division of the county that includes more than 50% of the geographic area of the
 2009 division of the special district in which there is a board vacancy.

2010 ~~[(4)]~~ (7) If it is necessary to reconstitute the board of trustees of a special district
2011 located solely within a county of the fourth, fifth, or sixth class because the term of a majority
2012 of the members of the board has expired without new trustees having been elected or appointed
2013 as required by law, even if sufficient qualified candidates timely file to be considered for a
2014 vacancy on the board, the county legislative body may appoint to the special district board no
2015 more than one of the county legislative body's own members who does not satisfy the
2016 requirements of Subsection (1).

2017 ~~[(4)]~~ (8) (a) Except as otherwise provided by statute, the number of members of each
2018 board of trustees of a special district that has nine or fewer members shall have an odd number
2019 of members that is no fewer than three.

2020 (b) If a board of trustees of a special district has more than nine members, the number
2021 of members may be odd or even.

2022 ~~[(5)]~~ (9) For a newly created special district, the number of members of the initial
2023 board of trustees shall be the number specified:

2024 (a) for a special district whose creation was initiated by a petition under Subsection
2025 [17B-1-203](#)(1)(a), (b), ~~[or]~~ (c), or (d), in the petition; or

2026 (b) for a special district whose creation was initiated by a resolution under Subsection
2027 ~~[[17B-1-203](#)(1)(d) or (e)]~~ [17B-1-203](#)(1)(e) or (f), in the resolution.

2028 ~~[(6)]~~ (10) (a) For an existing special district, the number of members of the board of
2029 trustees may be changed by a two-thirds vote of the board of trustees.

2030 (b) No change in the number of members of a board of trustees under Subsection
2031 ~~[(6)(a)]~~ (10)(a) may:

2032 (i) violate Subsection ~~[(4)]~~ (8); or

2033 (ii) serve to shorten the term of any member of the board.

2034 Section 26. Section **17B-1-303** is amended to read:

2035 **17B-1-303. Term of board of trustees members -- Oath of office -- Bond -- Notice**
2036 **of board member contact information.**

2037 (1) (a) Except as provided in Subsections (1)(b), (c), (d), and (e), the term of each
2038 member of a board of trustees begins at noon on the January 1 following the member's election
2039 or appointment.

2040 (b) The term of each member of the initial board of trustees of a newly created special

2041 district begins:

2042 (i) upon appointment, for an appointed member; and

2043 (ii) upon the member taking the oath of office after the canvass of the election at which
2044 the member is elected, for an elected member.

2045 (c) The term of each water conservancy district board member whom the governor
2046 appoints in accordance with Subsection 17B-2a-1005(2)(c):

2047 (i) begins on the later of the following:

2048 (A) the date on which the Senate consents to the appointment; or

2049 (B) the expiration date of the prior term; and

2050 (ii) ends on the February 1 that is approximately four years after the date described in
2051 Subsection (1)(c)(i)(A) or (B).

2052 (d) The term of a member of a board of trustees whom an appointing authority appoints
2053 in accordance with Subsection (5)(b) begins upon the member taking the oath of office.

2054 (e) If the member of the board of trustees fails to assume or qualify for office on
2055 January 1 for any reason, the term begins on the date the member assumes or qualifies for
2056 office.

2057 (2) (a) (i) Except as provided in Subsection (8), and subject to Subsections (2)(a)(ii)
2058 and (iii), the term of each member of a board of trustees is four years, except that:

2059 (A) approximately half the members of the initial board of trustees of an infrastructure
2060 financing district, as designated in the governing document, shall serve a six-year term so that
2061 the term of approximately half the board members expires every two years; and

2062 (B) for any other special district, approximately half the members of the initial board of
2063 trustees, chosen by lot, shall serve a two-year term so that the term of approximately half the
2064 board members expires every two years.

2065 (ii) If the terms of members of the initial board of trustees of a newly created special
2066 district do not begin on January 1 because of application of Subsection (1)(b), the terms of
2067 those members shall be adjusted as necessary, subject to Subsection (2)(a)(iii), to result in the
2068 terms of their successors complying with:

2069 (A) the requirement under Subsection (1)(a) for a term to begin on January 1 following
2070 a member's election or appointment; and

2071 (B) the requirement under Subsection (2)(a)(i) that terms be four years.

2072 (iii) If the term of a member of a board of trustees does not begin on January 1 because
2073 of the application of Subsection (1)(e), the term is shortened as necessary to result in the term
2074 complying with the requirement under Subsection (1)(a) that the successor member's term,
2075 regardless of whether the incumbent is the successor, begins at noon on January 1 following the
2076 successor member's election or appointment.

2077 (iv) An adjustment under Subsection (2)(a)(ii) may not add more than a year to or
2078 subtract more than a year from a member's term.

2079 (b) Each board of trustees member shall serve until a successor is duly elected or
2080 appointed and qualified, unless the member earlier is removed from office or resigns or
2081 otherwise leaves office.

2082 (c) If a member of a board of trustees no longer meets the qualifications of Subsection
2083 [17B-1-302](#)(1), (2), [~~or~~] (3), (4), (5), (6), or (7), or if the member's term expires without a duly
2084 elected or appointed successor:

2085 (i) the member's position is considered vacant, subject to Subsection (2)(c)(ii); and

2086 (ii) the member may continue to serve until a successor is duly elected or appointed
2087 and qualified.

2088 (3) (a) (i) Before entering upon the duties of office, each member of a board of trustees
2089 shall take the oath of office specified in Utah Constitution, Article IV,
2090 Section 10.

2091 (ii) A judge, county clerk, notary public, or the special district clerk may administer an
2092 oath of office.

2093 (b) The member of the board of trustees taking the oath of office shall file the oath of
2094 office with the clerk of the special district.

2095 (c) The failure of a board of trustees member to take the oath under Subsection (3)(a)
2096 does not invalidate any official act of that member.

2097 (4) A board of trustees member may serve any number of terms.

2098 (5) (a) Except as provided in Subsection (6), each midterm vacancy in a board of
2099 trustees position is filled in accordance with Section [20A-1-512](#).

2100 (b) When the number of members of a board of trustees increases in accordance with
2101 Subsection [~~17B-1-302(6)~~] [17B-1-302](#)(10), the appointing authority may appoint an individual
2102 to fill a new board of trustees position in accordance with Section [17B-1-304](#) or [20A-1-512](#).

2103 (6) (a) As used in this Subsection (6):

2104 (i) "Appointed official" means a person who:

2105 (A) is appointed as a member of a special district board of trustees by a county or
2106 municipality that is entitled to appoint a member to the board; and

2107 (B) holds an elected position with the appointing county or municipality.

2108 (ii) "Appointing entity" means the county or municipality that appointed the appointed
2109 official to the board of trustees.

2110 (b) The board of trustees shall declare a midterm vacancy for the board position held
2111 by an appointed official if:

2112 (i) during the appointed official's term on the board of trustees, the appointed official
2113 ceases to hold the elected position with the appointing entity; and

2114 (ii) the appointing entity submits a written request to the board to declare the vacancy.

2115 (c) Upon the board's declaring a midterm vacancy under Subsection (6)(b), the
2116 appointing entity shall appoint another person to fill the remaining unexpired term on the board
2117 of trustees.

2118 (7) (a) A member of a board of trustees shall obtain a fidelity bond or obtain theft or
2119 crime insurance for the faithful performance of the member's duties, in the amount and with the
2120 sureties or with an insurance company that the board of trustees prescribes.

2121 (b) The special district:

2122 (i) may assist the board of trustees in obtaining a fidelity bond or obtaining theft or
2123 crime insurance as a group or for members individually; and

2124 (ii) shall pay the cost of each fidelity bond or insurance coverage required under this
2125 Subsection (7).

2126 (8) (a) The lieutenant governor may extend the term of an elected district board
2127 member by one year in order to compensate for a change in the election year under Subsection
2128 [17B-1-306](#)(14).

2129 (b) When the number of members of a board of trustees increases in accordance with
2130 Subsection [~~17B-1-302(6)~~] [17B-1-302\(10\)](#), to ensure that the term of approximately half of the
2131 board members expires every two years in accordance with Subsection (2)(a):

2132 (i) the board shall set shorter terms for approximately half of the new board members,
2133 chosen by lot; and

2134 (ii) the initial term of a new board member position may be less than two or four years.

2135 (9) (a) A special district shall:

2136 (i) post on the Utah Public Notice Website created in Section 63A-16-601 the name,
2137 phone number, and email address of each member of the special district's board of trustees;

2138 (ii) update the information described in Subsection (9)(a)(i) when:

2139 (A) the membership of the board of trustees changes; or

2140 (B) a member of the board of trustees' phone number or email address changes; and

2141 (iii) post any update required under Subsection (9)(a)(ii) within 30 days after the date
2142 on which the change requiring the update occurs.

2143 (b) This Subsection (9) applies regardless of whether the county or municipal
2144 legislative body also serves as the board of trustees of the special district.

2145 Section 27. Section 17B-1-306.5 is amended to read:

2146 **17B-1-306.5. Dividing a special district into divisions.**

2147 (1) Subject to Subsection (3), the board of trustees of a special district that has elected
2148 board members may, upon a vote of two-thirds of the members of the board, divide the special
2149 district, or the portion of the special district represented by elected board of trustees members,
2150 into divisions so that some or all of the elected members of the board of trustees may be elected
2151 by division rather than at large.

2152 (2) Subject to Subsection (3), the appointing authority of a special district that has
2153 appointed board members may, upon a vote of two-thirds of the members of the appointing
2154 authority, divide the special district, or the portion of the special district represented by
2155 appointed board members, into divisions so that some or all of the appointed members of the
2156 board of trustees may be appointed by division rather than at large.

2157 (3) Before dividing a special district into divisions or before changing the boundaries
2158 of divisions already established, the board of trustees under Subsection (1), or the appointing
2159 authority, under Subsection (2), shall:

2160 (a) prepare a proposal that describes the boundaries of the proposed divisions; and

2161 (b) hold a public hearing at which any interested person may appear and speak for or
2162 against the proposal.

2163 (4) (a) The board of trustees or the appointing authority shall review the division
2164 boundaries at least every 10 years.

2165 (b) Except for changes in the divisions necessitated by annexations to or withdrawals
 2166 from the special district, the boundaries of divisions established under Subsection (1) or (2)
 2167 may not be changed more often than every five years.

2168 (c) Changes to the boundaries of divisions already established under Subsection (1) or
 2169 (2) are not subject to the two-thirds vote requirement of Subsection (1) or (2).

2170 (5) (a) Notwithstanding Subsections (1) through (4), after the creation of an
 2171 infrastructure financing district the board of trustees may divide the infrastructure financing
 2172 district into divisions, as provided in the petition to create the infrastructure financing district
 2173 under Subsection 17B-1-205(1)(m), so that some or all board members represent a division
 2174 rather than the district at large.

2175 (b) No more frequently than every four years, the board of an infrastructure financing
 2176 district may modify division boundaries to ensure that each division has as nearly as possible
 2177 the same number of registered voters.

2178 (c) In dividing an infrastructure financing district into divisions or in modifying
 2179 division boundaries, the board shall consider the anticipated future number of registered voters
 2180 within divisions based on proposed development within the divisions.

2181 Section 28. Section 17B-1-403 is amended to read:

2182 **17B-1-403. Initiation of annexation process -- Petition and resolution.**

2183 (1) Except as provided in Sections 17B-1-415, 17B-1-416, and 17B-1-417, the process
 2184 to annex an area to a special district may be initiated by[~~;~~] a petition, as provided in Subsection
 2185 (2), or a resolution, as provided in Subsection (3).

2186 (2) (a) [~~(i) for~~] For a district whose board of trustees is elected by electors based on the
 2187 acre-feet of water allotted to the land owned by the elector and subject to Subsection [~~(2)] (4),
 2188 the process to annex an area to the special district is initiated by a petition signed by the owners
 2189 of all of the acre-feet of water allotted to the land proposed for annexation[~~;~~ or].~~

2190 (b) For an infrastructure financing district, the process to annex an area to the
 2191 infrastructure financing district is initiated by a petition signed by 100% of the owners of all
 2192 surface property within the area proposed for annexation that is within the designated
 2193 expansion area, as defined in Section 17B-2a-1301.

2194 (c) [~~(ii) for~~] For all other districts, the process to annex an area to the special district
 2195 may be initiated by[~~;~~(A)] a petition signed by:

2196 [(F)] (i) the owners of private real property that:

2197 [(Aa)] (A) is located within the area proposed to be annexed;

2198 [(Bb)] (B) covers at least 10% of the total private land area within the entire area
2199 proposed to be annexed and within each applicable area; and

2200 [(Cc)] (C) is equal in assessed value to at least 10% of the assessed value of all private
2201 real property within the entire area proposed to be annexed and within each applicable area;

2202 [or]

2203 [(H)] (ii) the owner of all the publicly owned real property, if all the real property
2204 within the area proposed for annexation is owned by a public entity other than the federal
2205 government; or

2206 [(B)] (iii) [a petition signed by] registered voters residing within the entire area
2207 proposed to be annexed and within each applicable area equal in number to at least 10% of the
2208 number of votes cast within the entire area proposed to be annexed and within each applicable
2209 area, respectively, for the office of governor at the last regular general election before the filing
2210 of the petition[;].

2211 [(b)] (3) The process to annex an area to a special district may be initiated by:

2212 (a) a resolution adopted by the legislative body of each county whose unincorporated
2213 area includes and each municipality whose boundaries include any of the area proposed to be
2214 annexed; or

2215 [(c)] (b) a resolution adopted by the board of trustees of the proposed annexing special
2216 district if, for at least 12 consecutive months immediately preceding adoption of the resolution,
2217 the special district has provided:

2218 (i) retail service to the area; or

2219 (ii) a wholesale service to a provider of the same service that has provided that service
2220 on a retail basis to the area.

2221 [(2)] (4) If an association representing all acre-feet of water allotted to the land that is
2222 proposed to be annexed to a special district signs a petition under Subsection [(1)(a)(i)] (2)(a),
2223 pursuant to a proper exercise of authority as provided in the bylaws or other rules governing the
2224 association, the petition shall be considered to have been signed by the owners of all of the
2225 acre-feet of water allotted to the land proposed for annexation, even though less than all of the
2226 owners within the association consented to the association signing the petition.

2227 [~~(3)~~] (5) Each petition under Subsection (2) and resolution under Subsection [~~(4)~~] (3)

2228 shall:

2229 (a) describe the area proposed to be annexed; and

2230 (b) be accompanied by a map of the boundaries of the area proposed to be annexed.

2231 [~~(4)~~] (6) The legislative body of each county and municipality that adopts a resolution

2232 under Subsection [~~(4)~~]~~(b)~~] (3) shall, within five days after adopting the resolution, mail or

2233 deliver a copy of the resolution to the board of trustees of the proposed annexing special

2234 district.

2235 Section 29. Section **17B-1-404** is amended to read:

2236 **17B-1-404. Petition requirements.**

2237 (1) Each petition under Subsection [~~17B-1-403(1)(a)~~] 17B-1-403(2) shall:

2238 (a) indicate the typed or printed name and current residence address of each person

2239 signing the petition;

2240 (b) separately group signatures by county and municipality, so that all signatures of the

2241 owners of real property located within or of registered voters residing within each county

2242 whose unincorporated area includes and each municipality whose boundaries include part of

2243 the area proposed for annexation are grouped separately;

2244 (c) if it is a petition under Subsection [~~17B-1-403(1)(a)(i) or (ii)(A)~~] 17B-1-403(2)(a)

2245 or (2)(c)(i) or (ii), indicate the address of the property as to which the owner is signing the

2246 petition;

2247 (d) designate up to three signers of the petition as sponsors, one of whom shall be

2248 designated the contact sponsor, with the mailing address and telephone number of each;

2249 (e) be filed with the board of trustees of the proposed annexing special district; and

2250 (f) for a petition under Subsection [~~17B-1-403(1)(a)(i)~~] 17B-1-403(2)(a), state the

2251 proposed method of supplying water to the area proposed to be annexed.

2252 (2) By submitting a written withdrawal or reinstatement with the board of trustees of

2253 the proposed annexing special district, a signer of a petition may withdraw, or once withdrawn,

2254 reinstate the signer's signature at any time:

2255 (a) (i) before the public hearing under Section **17B-1-409** is held; or

2256 [~~(b)~~] (ii) if a hearing is not held because of Subsection **17B-1-413(1)** or because no

2257 hearing is requested under Subsection **17B-1-413(2)(a)(ii)(B)**, until 20 days after the special

2258 district provides notice under Subsection [17B-1-413\(2\)\(a\)\(i\)](#)~~[-];~~ or

2259 (b) for an infrastructure financing district, before the board of trustees adopts a
2260 resolution approving the annexation.

2261 Section 30. Section **17B-1-405** is amended to read:

2262 **17B-1-405. Petition certification.**

2263 (1) Within 30 days after the filing of a petition under Subsection [~~17B-1-403(1)(a)(i) or~~
2264 ~~(ii)] [17B-1-403\(2\)](#) or within the time that the special district and each petition sponsor
2265 designate by written agreement, the board of trustees of the proposed annexing special district
2266 shall:~~

2267 (a) with the assistance of officers of the county in which the area proposed to be
2268 annexed is located from whom the board requests assistance, determine whether the petition
2269 meets the requirements of Subsection [~~17B-1-403(1)(a)(i) or (ii)] [17B-1-403\(2\)\(a\), \(b\), or \(c\)](#),
2270 as the case may be, Subsection [~~17B-1-403(3)] [17B-1-403\(5\)](#), and Subsection [17B-1-404\(1\)](#);
2271 and~~~~

2272 (b) (i) if the board determines that the petition complies with the requirements, certify
2273 the petition and mail or deliver written notification of the certification to the contact sponsor;
2274 or

2275 (ii) if the board determines that the petition fails to comply with any of the
2276 requirements, reject the petition and mail or deliver written notification of the rejection and the
2277 reasons for the rejection to the contact sponsor.

2278 (2) (a) If the board rejects a petition under Subsection (1)(b)(ii), the petition may be
2279 amended to correct the deficiencies for which it was rejected and then refiled.

2280 (b) A valid signature on a petition that was rejected under Subsection (1)(b)(ii) may be
2281 used toward fulfilling the applicable signature requirement of the petition as amended under
2282 Subsection (2)(a).

2283 (3) The board shall process an amended petition filed under Subsection (2)(a) in the
2284 same manner as an original petition under Subsection (1).

2285 Section 31. Section **17B-1-405.5** is enacted to read:

2286 **17B-1-405.5. Provisions not applicable to infrastructure financing district**
2287 **annexation.**

2288 Sections [17B-1-406](#), [17B-1-407](#), [17B-1-408](#), [17B-1-409](#), [17B-1-410](#), [17B-1-411](#),

2289 [17B-1-412](#), and [17B-1-413](#) do not apply to a proposed annexation to an infrastructure financing
2290 district.

2291 Section 32. Section **17B-1-406** is amended to read:

2292 **17B-1-406. Notice to county and municipality -- Exception.**

2293 (1) Except as provided in Subsection (2), within 10 days after certifying a petition
2294 under Subsection [17B-1-405\(1\)\(b\)](#) the board of trustees of the proposed annexing special
2295 district shall mail or deliver a written notice of the proposed annexation, with a copy of the
2296 certification and a copy of the petition, to the legislative body of each:

2297 (a) county in whose unincorporated area any part of the area proposed for annexation is
2298 located; and

2299 (b) municipality in which any part of the area proposed for annexation is located.

2300 (2) The board is not required to send a notice under Subsection (1) to:

2301 (a) a county or municipality that does not provide the service proposed to be provided
2302 by the special district; or

2303 (b) a county or municipality whose legislative body has adopted an ordinance or
2304 resolution waiving the notice requirement as to:

2305 (i) the proposed annexing special district; or

2306 (ii) the service that the proposed annexing special district provides.

2307 (3) For purposes of this section, an area proposed to be annexed to a municipality in a
2308 petition under Section [10-2-403](#) filed before and still pending at the time of the filing of a
2309 petition under Subsection [~~[17B-1-403\(1\)\(a\)](#)~~ [17B-1-403\(2\)\(a\)](#) or (c) and an area included
2310 within a municipality's annexation policy plan under Section [10-2-401.5](#) shall be considered to
2311 be part of that municipality.

2312 Section 33. Section **17B-1-407** is amended to read:

2313 **17B-1-407. Notice of intent to consider providing service -- Public hearing**
2314 **requirements.**

2315 (1) (a) If the legislative body of a county or municipality whose applicable area is
2316 proposed to be annexed to a special district in a petition under Subsection [~~[17B-1-403\(1\)\(a\)](#)~~
2317 [17B-1-403\(2\)\(a\)](#) or (c) intends to consider having the county or municipality, respectively,
2318 provide to the applicable area the service that the proposed annexing special district provides,
2319 the legislative body shall, within 30 days after receiving the notice under Subsection

2320 17B-1-406(1), mail or deliver a written notice to the board of trustees of the proposed annexing
2321 special district indicating that intent.

2322 (b) (i) A notice of intent under Subsection (1)(a) suspends the special district's
2323 annexation proceeding as to the applicable area of the county or municipality that submits the
2324 notice of intent until the county or municipality:

2325 (A) adopts a resolution under Subsection 17B-1-408(1) declining to provide the service
2326 proposed to be provided by the proposed annexing special district; or

2327 (B) is considered under Subsection 17B-1-408(2) or (3) to have declined to provide the
2328 service.

2329 (ii) The suspension of an annexation proceeding under Subsection (1)(b)(i) as to an
2330 applicable area does not prevent the special district from continuing to pursue the annexation
2331 proceeding with respect to other applicable areas for which no notice of intent was submitted.

2332 (c) If a legislative body does not mail or deliver a notice of intent within the time
2333 required under Subsection (1)(a), the legislative body shall be considered to have declined to
2334 provide the service.

2335 (2) Each legislative body that mails or delivers a notice under Subsection (1)(a) shall
2336 hold a public hearing or a set of public hearings, sufficient in number and location to ensure
2337 that no substantial group of residents of the area proposed for annexation need travel an
2338 unreasonable distance to attend a public hearing.

2339 (3) Each public hearing under Subsection (2) shall be held:

2340 (a) no later than 45 days after the legislative body sends notice under Subsection (1);

2341 (b) except as provided in Subsections (6) and (7), within the applicable area; and

2342 (c) for the purpose of allowing public input on:

2343 (i) whether the service is needed in the area proposed for annexation;

2344 (ii) whether the service should be provided by the county or municipality or the
2345 proposed annexing special district; and

2346 (iii) all other matters relating to the issue of providing the service or the proposed
2347 annexation.

2348 (4) A quorum of the legislative body of each county or municipal legislative body
2349 holding a public hearing under this section shall be present throughout each hearing held by
2350 that county or municipal legislative body.

2351 (5) Each hearing under this section shall be held on a weekday evening other than a
2352 holiday beginning no earlier than 6 p.m.

2353 (6) Two or more county or municipal legislative bodies may jointly hold a hearing or
2354 set of hearings required under this section if all the requirements of this section, other than the
2355 requirements of Subsection (3)(b), are met as to each hearing.

2356 (7) Notwithstanding Subsection (3)(b), a county or municipal legislative body may
2357 hold a public hearing or set of public hearings outside the applicable area if:

2358 (a) there is no reasonable place to hold a public hearing within the applicable area; and

2359 (b) the public hearing or set of public hearings is held as close to the applicable area as
2360 reasonably possible.

2361 (8) Before holding a public hearing or set of public hearings under this section, the
2362 legislative body of each county or municipality that receives a request for service shall provide
2363 notice of the hearing or set of hearings as provided in Section 17B-1-211.

2364 Section 34. Section 17B-1-408 is amended to read:

2365 **17B-1-408. Resolution indicating whether the requested service will be provided.**

2366 (1) Within 30 days after the last hearing required under Section 17B-1-407 is held, the
2367 legislative body of each county and municipality that sent a notice of intent under Subsection
2368 17B-1-407(1) shall adopt a resolution indicating whether the county or municipality will
2369 provide to the area proposed for annexation within its boundaries the service proposed to be
2370 provided by the proposed annexing special district.

2371 (2) If the county or municipal legislative body fails to adopt a resolution within the
2372 time provided under Subsection (1), the county or municipality shall be considered to have
2373 declined to provide the service.

2374 (3) If a county or municipal legislative body adopts a resolution under Subsection (1)
2375 indicating that the county or municipality will provide the service but the county or
2376 municipality does not, within 120 days after the adoption of that resolution, take substantial
2377 measures to provide the service, the county or municipality shall be considered to have
2378 declined to provide the service.

2379 (4) Each county or municipality whose legislative body adopts a resolution under
2380 Subsection (1) indicating that the county or municipality will provide the service shall
2381 diligently proceed to take all measures necessary to provide the service.

2382 (5) If a county or municipal legislative body adopts a resolution under Subsection (1)
2383 indicating that the county or municipality will provide the service and the county or
2384 municipality takes substantial measures within the time provided in Subsection (3) to provide
2385 the service, the special district's annexation proceeding as to the applicable area of that county
2386 or municipality is terminated and that applicable area is considered deleted from the area
2387 proposed to be annexed in a petition under Subsection [~~17B-1-403(1)(a)~~] 17B-1-403(2)(a) or
2388 (c).

2389 Section 35. Section **17B-1-409** is amended to read:

2390 **17B-1-409. Public hearing on proposed annexation.**

2391 (1) Except as provided in Sections 17B-1-413 and 17B-1-415, the board of trustees of
2392 each special district that certifies a petition that was filed under Subsection
2393 [~~17B-1-403(1)(a)(ii)(A) or (B)~~] 17B-1-403(2)(c), receives a resolution adopted under
2394 Subsection [~~17B-1-403(1)(b)~~] 17B-1-403(3)(a), or adopts a resolution under Subsection
2395 [~~17B-1-403(1)(c)~~] 17B-1-403(3)(b) shall hold a public hearing on the proposed annexation and
2396 provide notice of the hearing as provided in Section 17B-1-410.

2397 (2) Each public hearing under Subsection (1) shall be held:

2398 (a) within 45 days after:

2399 (i) if no notice to a county or municipal legislative body is required under Section
2400 17B-1-406, petition certification under Section 17B-1-405; or

2401 (ii) if notice is required under Section 17B-1-406, but no notice of intent is submitted
2402 by the deadline:

2403 (A) expiration of the deadline under Subsection 17B-1-407(1) to submit a notice of
2404 intent; or

2405 (B) termination of a suspension of the annexation proceeding under Subsection
2406 17B-1-407(1)(b);

2407 (b) (i) for a special district located entirely within a single county:

2408 (A) within or as close as practicable to the area proposed to be annexed; or

2409 (B) at the special district office; or

2410 (ii) for a special district located in more than one county:

2411 (A) (I) within the county in which the area proposed to be annexed is located; and

2412 (II) within or as close as practicable to the area proposed to be annexed; or

2413 (B) if the special district office is reasonably accessible to all residents within the area
2414 proposed to be annexed, at the special district office;

2415 (c) on a weekday evening other than a holiday beginning no earlier than 6 p.m.; and

2416 (d) for the purpose of allowing:

2417 (i) the public to ask questions and obtain further information about the proposed
2418 annexation and issues raised by it; and

2419 (ii) any interested person to address the board regarding the proposed annexation.

2420 (3) A quorum of the board of trustees of the proposed annexing special district shall be
2421 present throughout each public hearing held under this section.

2422 (4) (a) After holding a public hearing under this section or, if no hearing is held
2423 because of application of Subsection 17B-1-413(2)(a)(ii), after expiration of the time under
2424 Subsection 17B-1-413(2)(a)(ii)(B) for requesting a hearing, the board of trustees may by
2425 resolution deny the annexation and terminate the annexation procedure if:

2426 (i) for a proposed annexation initiated by a petition under Subsection
2427 [~~17B-1-403(1)(a)(i) or (ii)~~] 17B-1-403(2)(a) or (c), the board determines that:

2428 (A) it is not feasible for the special district to provide service to the area proposed to be
2429 annexed; or

2430 (B) annexing the area proposed to be annexed would be inequitable to the owners of
2431 real property or residents already within the special district; or

2432 (ii) for a proposed annexation initiated by resolution under Subsection
2433 [~~17B-1-403(1)(b) or (c)~~] 17B-1-403(3)(a) or (b), the board determines not to pursue
2434 annexation.

2435 (b) In each resolution adopted under Subsection (4)(a), the board shall set forth its
2436 reasons for denying the annexation.

2437 Section 36. Section 17B-1-411 is amended to read:

2438 **17B-1-411. Modifications to area proposed for annexation -- Limitations.**

2439 (1) (a) Subject to Subsections (2), (3), (4), and (5), a board of trustees may, within 30
2440 days after the public hearing under Section 17B-1-409, or, if no public hearing is held, within
2441 30 days after the board provides notice under Subsection 17B-1-413(2)(a)(i), modify the area
2442 proposed for annexation to include land not previously included in that area or to exclude land
2443 from that area if the modification enhances the feasibility of the proposed annexation.

2444 (b) A modification under Subsection (1)(a) may consist of the exclusion of all the land
2445 within an applicable area if:

2446 (i) the entire area proposed to be annexed consists of more than that applicable area;

2447 (ii) sufficient protests under Section 17B-1-412 are filed with respect to that applicable
2448 area that an election would have been required under Subsection 17B-1-412(3) if that
2449 applicable area were the entire area proposed to be annexed; and

2450 (iii) the other requirements of Subsection (1)(a) are met.

2451 (2) A board of trustees may not add property under Subsection (1) to the area proposed
2452 for annexation without the consent of the owner of that property.

2453 (3) Except as provided in Subsection (1)(b), a modification under Subsection (1) may
2454 not avoid the requirement for an election under Subsection 17B-1-412(3) if, before the
2455 modification, the election was required because of protests filed under Section 17B-1-412.

2456 (4) If the annexation is proposed by a petition under Subsection
2457 [~~17B-1-403(1)(a)(ii)(A) or (B)~~] 17B-1-403(2)(c), a modification may not be made unless the
2458 requirements of Subsection [~~17B-1-403(1)(a)(ii)(A) or (B)~~] 17B-1-403(2)(c) are met after the
2459 modification as to the area proposed to be annexed.

2460 (5) If the petition meets the requirements of Subsection 17B-1-413(1) before a
2461 modification under this section but fails to meet those requirements after modification:

2462 (a) the special district board shall give notice as provided in Section 17B-1-410 and
2463 hold a public hearing as provided in Section 17B-1-409 on the proposed annexation; and

2464 (b) the petition shall be considered in all respects as one that does not meet the
2465 requirements of Subsection 17B-1-413(1).

2466 Section 37. Section 17B-1-413 is amended to read:

2467 **17B-1-413. Hearing, notice, and protest provisions do not apply for certain**
2468 **petitions.**

2469 (1) Section 17B-1-412 does not apply, and, except as provided in Subsection (2)(a),
2470 Sections 17B-1-409 and 17B-1-410 do not apply:

2471 (a) if the process to annex an area to a special district was initiated by:

2472 (i) a petition under Subsection [~~17B-1-403(1)(a)(i)~~] 17B-1-403(2)(a);

2473 (ii) a petition under Subsection [~~17B-1-403(1)(a)(ii)(A)~~] 17B-1-403(2)(c)(i) or (ii) that
2474 was signed by the owners of private real property that:

2475 (A) is located within the area proposed to be annexed;

2476 (B) covers at least 75% of the total private land area within the entire area proposed to
2477 be annexed and within each applicable area; and

2478 (C) is equal in assessed value to at least 75% of the assessed value of all private real
2479 property within the entire area proposed to be annexed and within each applicable area; or

2480 (iii) a petition under Subsection [~~17B-1-403(1)(a)(ii)(B)~~] 17B-1-403(2)(c)(iii) that was
2481 signed by registered voters residing within the entire area proposed to be annexed and within
2482 each applicable area equal in number to at least 75% of the number of votes cast within the
2483 entire area proposed to be annexed and within each applicable area, respectively, for the office
2484 of governor at the last regular general election before the filing of the petition;

2485 (b) to an annexation under Section 17B-1-415; or

2486 (c) to a boundary adjustment under Section 17B-1-417.

2487 (2) (a) If a petition that meets the requirements of Subsection (1)(a) is certified under
2488 Section 17B-1-405, the special district board:

2489 (i) shall provide notice of the proposed annexation as provided in Subsection (2)(b);
2490 and

2491 (ii) (A) may, in the board's discretion, hold a public hearing as provided in Section
2492 17B-1-409 after giving notice of the public hearing as provided in Subsection (2)(b); and

2493 (B) shall, after giving notice of the public hearing as provided in Subsection (2)(b),
2494 hold a public hearing as provided in Section 17B-1-409 if a written request to do so is
2495 submitted, within 20 days after the special district provides notice under Subsection (2)(a)(i), to
2496 the special district board by an owner of property that is located within or a registered voter
2497 residing within the area proposed to be annexed who did not sign the annexation petition.

2498 (b) The notice required under Subsections (2)(a)(i) and (ii) shall:

2499 (i) be given:

2500 (A) (I) for a notice under Subsection (2)(a)(i), within 30 days after petition
2501 certification; or

2502 (II) for a notice of a public hearing under Subsection (2)(a)(ii), at least 10 but not more
2503 than 30 days before the public hearing; and

2504 (B) by providing notice, as a class A notice under Section 63G-30-102, for the area
2505 proposed to be annexed, through the day of the public hearing; and

2506 (ii) contain a brief explanation of the proposed annexation and include the name of the
2507 special district, the service provided by the special district, a description or map of the area
2508 proposed to be annexed, a special district telephone number where additional information
2509 about the proposed annexation may be obtained, and, for a notice under Subsection (2)(a)(i), an
2510 explanation of the right of a property owner or registered voter to request a public hearing as
2511 provided in Subsection (2)(a)(ii)(B).

2512 (c) A notice under Subsection (2)(a)(i) may be combined with the notice that is
2513 required for a public hearing under Subsection (2)(a)(ii)(A).

2514 Section 38. Section 17B-1-414 is amended to read:

2515 **17B-1-414. Resolution approving an annexation -- Filing of notice and plat with**
2516 **lieutenant governor -- Recording requirements -- Effective date.**

2517 (1) (a) Subject to Subsection (1)(b), the special district board shall adopt a resolution
2518 approving the annexation of the area proposed to be annexed or rejecting the proposed
2519 annexation within 90 days after:

2520 (i) expiration of the protest period under Subsection 17B-1-412(2), if sufficient protests
2521 to require an election are not filed;

2522 (ii) for a petition that meets the requirements of Subsection 17B-1-413(1):

2523 (A) a public hearing under Section 17B-1-409 is held, if the board chooses or is
2524 required to hold a public hearing under Subsection 17B-1-413(2)(a)(ii); or

2525 (B) expiration of the time for submitting a request for public hearing under Subsection
2526 17B-1-413(2)(a)(ii)(B), if no request is submitted and the board chooses not to hold a public
2527 hearing[-]; or

2528 (iii) for a proposed annexation to an infrastructure financing district, the board's
2529 certification of the annexation petition under Section 17B-1-405.

2530 (b) If the special district has entered into an agreement with the United States that
2531 requires the consent of the United States for an annexation of territory to the district, a
2532 resolution approving annexation under this part may not be adopted until the written consent of
2533 the United States is obtained and filed with the board of trustees.

2534 (2) (a) (i) Within the time specified under Subsection (2)(a)(ii), the board shall file with
2535 the lieutenant governor:

2536 (A) a copy of a notice of an impending boundary action, as defined in Section

2537 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3) and, if applicable,
2538 Subsection (2)(b); and
2539 (B) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5.
2540 (ii) The board shall file the documents listed in Subsection (2)(a)(i) with the lieutenant
2541 governor:
2542 (A) within 30 days after adoption of a resolution under Subsection (1), Subsection
2543 17B-1-412(3)(c)(i), or Section 17B-1-415; and
2544 (B) as soon as practicable after receiving the notice under Subsection 10-2-425(2) of a
2545 municipal annexation that causes an automatic annexation to a special district under Section
2546 17B-1-416.
2547 (b) For an automatic annexation to a special district under Section 17B-1-416, the
2548 notice of an impending boundary action required under Subsection (2)(a) shall state that an area
2549 outside the boundaries of the special district is being automatically annexed to the special
2550 district under Section 17B-1-416 because of a municipal annexation under Title 10, Chapter 2,
2551 Part 4, Annexation.
2552 (c) Upon the lieutenant governor's issuance of a certificate of annexation under Section
2553 67-1a-6.5, the board shall:
2554 (i) if the annexed area is located within the boundary of a single county, submit to the
2555 recorder of that county:
2556 (A) the original:
2557 (I) notice of an impending boundary action;
2558 (II) certificate of annexation; and
2559 (III) approved final local entity plat; and
2560 (B) a certified copy of the annexation resolution; or
2561 (ii) if the annexed area is located within the boundaries of more than a single county:
2562 (A) submit to the recorder of one of those counties:
2563 (I) the original of the documents listed in Subsections (2)(c)(i)(A)(I), (II), and (III); and
2564 (II) a certified copy of the annexation resolution; and
2565 (B) submit to the recorder of each other county:
2566 (I) a certified copy of the documents listed in Subsection (2)(c)(i)(A)(I), (II), and (III);
2567 and

2568 (II) a certified copy of the annexation resolution.

2569 (3) (a) As used in this Subsection (3), "fire district annexation" means an annexation
2570 under this part of an area located in a county of the first class to a special district:

2571 (i) created to provide fire protection, paramedic, and emergency services; and
2572 (ii) in the creation of which an election was not required because of Subsection
2573 17B-1-214(3)(d).

2574 (b) An annexation under this part is complete and becomes effective:

2575 (i) (A) on July 1 for a fire district annexation, if the lieutenant governor issues the
2576 certificate of annexation under Section 67-1a-6.5 from January 1 through June 30; or
2577 (B) on January 1 for a fire district annexation, if the lieutenant governor issues the
2578 certificate of annexation under Section 67-1a-6.5 from July 1 through December 31; or
2579 (ii) upon the lieutenant governor's issuance of the certificate of annexation under
2580 Section 67-1a-6.5, for any other annexation.

2581 (c) (i) The effective date of a special district annexation for purposes of assessing
2582 property within the annexed area is governed by Section 59-2-305.5.

2583 (ii) Until the documents listed in Subsection (2)(c) are recorded in the office of the
2584 recorder of each county in which the property is located, a special district may not:

2585 (A) levy or collect a property tax on property within the annexed area;
2586 (B) levy or collect an assessment on property within the annexed area; or
2587 (C) charge or collect a fee for service provided to property within the annexed area.

2588 (iii) Subsection (3)(c)(ii)(C):

2589 (A) may not be construed to limit a special district's ability before annexation to charge
2590 and collect a fee for service provided to property that is outside the special district's boundary;
2591 and

2592 (B) does not apply until 60 days after the effective date, under Subsection (3)(b), of the
2593 special district's annexation, with respect to a fee that the special district was charging for
2594 service provided to property within the annexed area immediately before the area was annexed
2595 to the special district.

2596 Section 39. Section 17B-1-504 is amended to read:

2597 **17B-1-504. Initiation of withdrawal process -- Notice of petition.**

2598 (1) Except as provided in Section 17B-1-505, the process to withdraw an area from a

2599 special district may be initiated:

2600 (a) for a special district funded predominantly by revenues from property taxes or
2601 service charges other than those based upon acre-feet of water:

2602 (i) by a petition signed by the owners of private real property that:

2603 (A) is located within the area proposed to be withdrawn;

2604 (B) covers at least 51% of the total private land within the area proposed to be
2605 withdrawn; and

2606 (C) is equal in taxable value to at least 51% of the taxable value of all private real
2607 property within the area proposed to be withdrawn;

2608 (ii) by a petition signed by registered voters residing within the area proposed to be
2609 withdrawn equal in number to at least 67% of the number of votes cast in the same area for the
2610 office of governor at the last regular general election before the filing of the petition;

2611 (iii) by a resolution adopted by the board of trustees of the special district in which the
2612 area proposed to be withdrawn is located, which:

2613 (A) states the reasons for withdrawal; and

2614 (B) is accompanied by a general description of the area proposed to be withdrawn; or

2615 (iv) by a resolution to file a petition with the special district to withdraw from the
2616 special district all or a specified portion of the area within a municipality or county, adopted by
2617 the governing body of a municipality that has within its boundaries an area located within the
2618 boundaries of a special district, or by the governing body of a county that has within its
2619 boundaries an area located within the boundaries of a special district that is located in more
2620 than one county, which petition of the governing body shall be filed with the board of trustees
2621 only if a written request to petition the board of trustees to withdraw an area from the special
2622 district has been filed with the governing body of the municipality, or county, and the request
2623 has been signed by registered voters residing within the boundaries of the area proposed for
2624 withdrawal equal in number to at least 51% of the number of votes cast in the same area for the
2625 office of governor at the last regular general election before the filing of the petition;

2626 (b) for a special district whose board of trustees is elected by electors based on the
2627 acre-feet of water allotted to the land owned by the elector:

2628 (i) in the same manner as provided in Subsection (1)(a)(iii) or Subsection (1)(a)(iv); or

2629 (ii) by a petition signed by the owners of at least 67% of the acre-feet of water allotted

2630 to the land proposed to be withdrawn; [or]

2631 (c) for a special district funded predominantly by revenues other than property taxes,
2632 service charges, or assessments based upon an allotment of acre-feet of water:

2633 (i) in the same manner as provided in Subsection (1)(a)(iii) or Subsection (1)(a)(iv); or

2634 (ii) by a petition signed by the registered voters residing within the entire area proposed

2635 to be withdrawn, which area shall be comprised of an entire unincorporated area within the

2636 special district or an entire municipality within a special district, or a combination thereof,

2637 equal in number to at least 67% of the number of votes cast within the entire area proposed to

2638 be withdrawn for the office of governor at the last regular general election before the filing of

2639 the petition[-]; or

2640 (d) for an infrastructure financing district, by a petition signed by 100% of the owners
2641 of all surface property within the area proposed to be withdrawn.

2642 (2) (a) Prior to soliciting any signatures on a petition under Subsection (1), the
2643 sponsors of the petition shall:

2644 ~~[(a)]~~ (i) notify the special district board with which the petition is intended to be filed
2645 that the sponsors will be soliciting signatures for a petition; and

2646 ~~[(b)]~~ (ii) mail a copy of the petition to the special district board.

2647 (b) Subsection (2)(a) does not apply to a petition to withdraw an area from an
2648 infrastructure financing district.

2649 Section 40. Section **17B-1-506** is amended to read:

2650 **17B-1-506. Withdrawal petition requirements.**

2651 (1) Each petition under Section **17B-1-504** shall:

2652 (a) indicate the typed or printed name and current address of each owner of acre-feet of
2653 water, property owner, registered voter, or authorized representative of the governing body
2654 signing the petition;

2655 (b) separately group signatures by municipality and, in the case of unincorporated
2656 areas, by county;

2657 (c) if it is a petition signed by the owners of land, the assessment of which is based on
2658 acre-feet of water, indicate the address of the property and the property tax identification parcel
2659 number of the property as to which the owner is signing the request;

2660 (d) designate up to three signers of the petition as sponsors, or in the case of a petition

2661 filed under Subsection 17B-1-504(1)(a)(iv), designate a governmental representative as a
2662 sponsor, and in each case, designate one sponsor as the contact sponsor with the mailing
2663 address and telephone number of each;

2664 (e) state the reasons for withdrawal; and

2665 (f) when the petition is filed with the special district board of trustees, be accompanied
2666 by a map generally depicting the boundaries of the area proposed to be withdrawn and a legal
2667 description of the area proposed to be withdrawn.

2668 (2) (a) The special district may prepare an itemized list of expenses, other than attorney
2669 expenses, that will necessarily be incurred by the special district in the withdrawal proceeding.
2670 The itemized list of expenses may be submitted to the contact sponsor. If the list of expenses is
2671 submitted to the contact sponsor within 21 days after receipt of the petition, the contact sponsor
2672 on behalf of the petitioners shall be required to pay the expenses to the special district within
2673 90 days of receipt. Until funds to cover the expenses are delivered to the special district, the
2674 district will have no obligation to proceed with the withdrawal and the time limits on the
2675 district stated in this part will be tolled. If the expenses are not paid within the 90 days, or
2676 within 90 days from the conclusion of any arbitration under Subsection (2)(b), the petition
2677 requesting the withdrawal shall be considered to have been withdrawn.

2678 (b) If there is no agreement between the board of trustees of the special district and the
2679 contact sponsor on the amount of expenses that will necessarily be incurred by the special
2680 district in the withdrawal proceeding, either the board of trustees or the contact sponsor may
2681 submit the matter to binding arbitration in accordance with Title 78B, Chapter 6, Part 2,
2682 Alternative Dispute Resolution Act; provided that, if the parties cannot agree upon an arbitrator
2683 and the rules and procedures that will control the arbitration, either party may pursue
2684 arbitration under Title 78B, Chapter 11, Utah Uniform Arbitration Act.

2685 (3) (a) A signer of a petition may withdraw or, once withdrawn, reinstate the signer's
2686 signature at any time before the public hearing under Section 17B-1-508 by submitting a
2687 written statement requesting withdrawal or reinstatement with the board of trustees of the
2688 special district in which the area proposed to be withdrawn is located.

2689 (b) A statement described in Subsection (3)(a) shall comply with the requirements
2690 described in Subsection 20A-1-1003(2).

2691 (c) As applicable and using the procedures described in Subsection 20A-1-1003(3), the

2692 county clerk shall assist the board of trustees to determine whether to remove or reinstate a
2693 registered voter's signature after the voter submits a timely, valid statement described in
2694 Subsection (3)(a).

2695 (4) If it reasonably appears that, if the withdrawal which is the subject of a petition
2696 filed under Subsection 17B-1-504(1)(a)(i) or (ii) is granted, it will be necessary for a
2697 municipality to provide to the withdrawn area the service previously supplied by the special
2698 district, the board of trustees of the special district may, within 21 days after receiving the
2699 petition, notify the contact sponsor in writing that, before it will be considered by the board of
2700 trustees, the petition shall be presented to and approved by the governing body of the
2701 municipality as provided in Subsection 17B-1-504(1)(a)(iv) before it will be considered by the
2702 special district board of trustees. If the notice is timely given to the contact sponsor, the
2703 petition shall be considered to have been withdrawn until the municipality files a petition with
2704 the special district under Subsection 17B-1-504(1)(a)(iv).

2705 (5) (a) After receiving the notice required by Subsection 17B-1-504(2), unless
2706 specifically allowed by law, a public entity may not make expenditures from public funds to
2707 support or oppose the gathering of signatures on a petition for withdrawal.

2708 (b) Nothing in this section prohibits a public entity from providing factual information
2709 and analysis regarding a withdrawal petition to the public, so long as the information grants
2710 equal access to both the opponents and proponents of the petition for withdrawal.

2711 (c) Nothing in this section prohibits a public official from speaking, campaigning,
2712 contributing personal money, or otherwise exercising the public official's constitutional rights.

2713 (6) Subsections (2), (3), (4), and (5) do not apply to a petition seeking the withdrawal
2714 of an area from an infrastructure financing district.

2715 Section 41. Section 17B-1-511 is amended to read:

2716 **17B-1-511. Continuation of tax levy or assessment after withdrawal to pay for**
2717 **proportionate share of district bonds.**

2718 (1) Other than as provided in Subsection (2), and unless an escrow trust fund is
2719 established and funded pursuant to Subsection 17B-1-510(5)(j), property within the withdrawn
2720 area shall continue after withdrawal to be taxable by the special district:

2721 (a) for the purpose of paying the withdrawn area's just proportion of the special
2722 district's general obligation bonds or lease obligations payable from property taxes with respect

2723 to lease revenue bonds issued by a local building authority on behalf of the special district,
 2724 other than those bonds treated as revenue bonds under Subsection 17B-1-510(5)(i), until the
 2725 bonded indebtedness has been satisfied; and

2726 (b) to the extent and for the years necessary to generate sufficient revenue that, when
 2727 combined with the revenues from the district remaining after withdrawal, is sufficient to
 2728 provide for the payment of principal and interest on the district's general obligation bonds that
 2729 are treated as revenue bonds under Subsection 17B-1-510(5)(i).

2730 (2) For a special district funded predominately by revenues other than property taxes,
 2731 service charges, or assessments based upon an allotment of acre-feet of water, property within
 2732 the withdrawn area shall continue to be taxable by the special district for purposes of paying
 2733 the withdrawn area's proportionate share of bonded indebtedness or judgments against the
 2734 special district incurred prior to the date the petition was filed.

2735 (3) An area withdrawn from an infrastructure financing district remains subject to any
 2736 taxes, fees, and assessments imposed by the infrastructure financing district until obligations
 2737 allocable to the withdrawn area are paid.

2738 [~~(3)~~] (4) Except as provided in Subsections (1) [~~and~~], (2), and (3), upon withdrawal, the
 2739 withdrawing area is relieved of all other taxes, assessments, and charges levied by the district,
 2740 including taxes and charges for the payment of revenue bonds and maintenance and operation
 2741 cost of the special district.

2742 Section 42. Section 17B-1-1001 is amended to read:

2743 **17B-1-1001. Provisions applicable to property tax levy.**

2744 (1) Each special district that levies and collects property taxes shall levy and collect
 2745 them according to the provisions of Title 59, Chapter 2, Property Tax Act.

2746 (2) As used in this section:

2747 (a) "Appointed board of trustees" means a board of trustees of a special district that
 2748 includes a member who is appointed to the board of trustees in accordance with Section
 2749 17B-1-304, Subsection 17B-1-303(5), Subsection 17B-1-306(5)(h), or any of the applicable
 2750 provisions in Title 17B, Chapter 2a, Provisions Applicable to Different Types of Special
 2751 Districts.

2752 (b) "Elected board of trustees" means a board of trustees of a special district that
 2753 consists entirely of members who are elected to the board of trustees in accordance with

2754 Subsection (4), Section [17B-1-306](#), or any of the applicable provisions in Title 17B, Chapter
2755 2a, Provisions Applicable to Different Types of Special Districts.

2756 (3) (a) For a taxable year beginning on or after January 1, 2018, a special district may
2757 not levy or collect property tax revenue that exceeds the certified tax rate unless:

2758 (i) to the extent that the revenue from the property tax was pledged before January 1,
2759 2018, the special district pledges the property tax revenue to pay for bonds or other obligations
2760 of the special district; or

2761 (ii) the proposed tax or increase in the property tax rate has been approved by:

2762 (A) an elected board of trustees;

2763 (B) subject to Subsection (3)(b), an appointed board of trustees;

2764 (C) a majority of the registered voters within the special district who vote in an election
2765 held for that purpose on a date specified in Section [20A-1-204](#);

2766 (D) the legislative body of the appointing authority; or

2767 (E) the legislative body of:

2768 (I) a majority of the municipalities partially or completely included within the
2769 boundary of the specified special district; or

2770 (II) the county in which the specified special district is located, if the county has some
2771 or all of its unincorporated area included within the boundary of the specified special district.

2772 (b) For a special district with an appointed board of trustees, each appointed member of
2773 the board of trustees shall comply with the trustee reporting requirements described in Section
2774 [17B-1-1003](#) before the special district may impose a property tax levy that exceeds the certified
2775 tax rate.

2776 (4) (a) Notwithstanding provisions to the contrary in Title 17B, Chapter 2a, Provisions
2777 Applicable to Different Types of Special Districts, and subject to Subsection (4)(b), members
2778 of the board of trustees of a special district shall be elected, if:

2779 (i) two-thirds of all members of the board of trustees of the special district vote in favor
2780 of changing to an elected board of trustees; and

2781 (ii) the legislative body of each municipality or county that appoints a member to the
2782 board of trustees adopts a resolution approving the change to an elected board of trustees.

2783 (b) A change to an elected board of trustees under Subsection (4)(a) may not shorten
2784 the term of any member of the board of trustees serving at the time of the change.

- 2785 (5) Subsections (2), (3), and (4) do not apply to:
- 2786 (a) Title 17B, Chapter 2a, Part 6, Metropolitan Water District Act;
- 2787 (b) Title 17B, Chapter 2a, Part 10, Water Conservancy District Act; or
- 2788 (c) a special district in which:
- 2789 (i) the board of trustees consists solely of:
- 2790 (A) land owners or the land owners' agents; or
- 2791 (B) as described in Subsection [~~17B-1-302(3)~~] 17B-1-302(3), (5), (6), or (7), land
- 2792 owners or the land owners' agents or officers; and
- 2793 (ii) there are no residents within the special district at the time a property tax is levied.
- 2794 (6) An infrastructure financing district may not pledge or otherwise use any property
- 2795 tax revenue for the payment of bonds.

2796 Section 43. Section **17B-1-1002** is amended to read:

2797 **17B-1-1002. Limit on special district property tax levy -- Exclusions.**

2798 (1) The rate at which a special district levies a property tax for district operation and

2799 maintenance expenses on the taxable value of taxable property within the district may not

2800 exceed:

- 2801 (a) .0008, for a basic special district;
- 2802 (b) .0004, for a cemetery maintenance district;
- 2803 (c) .0004, for a drainage district;
- 2804 (d) .0008, for a fire protection district;
- 2805 (e) .0008, for an improvement district;
- 2806 (f) .0005, for a metropolitan water district;
- 2807 (g) .0004, for a mosquito abatement district;
- 2808 (h) .0004, for a public transit district;
- 2809 (i) (i) .0023, for a service area that:
- 2810 (A) is located in a county of the first or second class; and
- 2811 (B) (I) provides fire protection, paramedic, and emergency services; or
- 2812 (II) subject to Subsection (3), provides law enforcement services; or
- 2813 (ii) .0014, for each other service area;
- 2814 (j) the rates provided in Section 17B-2a-1006, for a water conservancy district; ~~or~~
- 2815 (k) .0008 for a municipal services district~~[-]~~; or

2816 (1) .0004 for an infrastructure financing district.

2817 (2) Property taxes levied by a special district are excluded from the limit applicable to
2818 that district under Subsection (1) if the taxes are:

2819 (a) levied under Section 17B-1-1103 by a special district, other than a water
2820 conservancy district, to pay principal of and interest on general obligation bonds issued by the
2821 district;

2822 (b) levied to pay debt and interest owed to the United States; or

2823 (c) levied to pay assessments or other amounts due to a water users association or other
2824 public cooperative or private entity from which the district procures water.

2825 (3) A service area described in Subsection (1)(i)(i)(B)(II) may not collect a tax
2826 described in Subsection (1)(i)(i) if a municipality or a county having a right to appoint a
2827 member to the board of trustees of the service area under Subsection 17B-2a-905(2) assesses
2828 on or after November 30 in the year in which the tax is first collected and each subsequent year
2829 that the tax is collected:

2830 (a) a generally assessed fee imposed under Section 17B-1-643 for law enforcement
2831 services; or

2832 (b) any other generally assessed fee for law enforcement services.

2833 Section 44. Section 17B-1-1302 is amended to read:

2834 **17B-1-1302. Special district dissolution.**

2835 (1) A special district may be dissolved as provided in this part.

2836 (2) No later than 180 days after the payment of all debt of an infrastructure financing
2837 district, the board of trustees of the infrastructure financing district shall adopt a resolution to
2838 dissolve the infrastructure financing district.

2839 Section 45. Section 17B-1-1303 is amended to read:

2840 **17B-1-1303. Initiation of dissolution process.**

2841 The process to dissolve a special district may be initiated by:

2842 (1) for an inactive special district:

2843 (a) (i) for a special district whose board of trustees is elected by electors based on the
2844 acre-feet of water allotted to the land owned by the elector, a petition signed by the owners of
2845 25% of the acre-feet of water allotted to the land within the special district; or

2846 (ii) for all other districts:

2847 (A) a petition signed by the owners of private real property that:
2848 (I) is located within the special district proposed to be dissolved;
2849 (II) covers at least 25% of the private land area within the special district; and
2850 (III) is equal in assessed value to at least 25% of the assessed value of all private real
2851 property within the special district; or

2852 (B) a petition signed by registered voters residing within the special district proposed
2853 to be dissolved equal in number to at least 25% of the number of votes cast in the district for
2854 the office of governor at the last regular general election before the filing of the petition; or

2855 (b) a resolution adopted by the administrative body; [~~and~~]

2856 (2) for an active special district, a petition signed by:

2857 (a) for a special district whose board of trustees is elected by electors based on the
2858 acre-feet of water allotted to the land owned by the elector, the owners of 33% of the acre-feet
2859 of water allotted to the land within the special district;

2860 (b) for a special district created to acquire or assess a groundwater right for the
2861 development and execution of a groundwater management plan in coordination with the state
2862 engineer in accordance with Section 73-5-15, the owners of groundwater rights that:

2863 (i) are diverted within the district; and

2864 (ii) cover at least 33% of the total amount of groundwater diverted in accordance with
2865 the groundwater rights within the district as a whole; or

2866 (c) for all other districts:

2867 (i) the owners of private real property that:

2868 (A) is located within the special district proposed to be dissolved;

2869 (B) covers at least 33% of the private land area within the special district; and

2870 (C) is equal in assessed value to at least 25% of the assessed value of all private real
2871 property within the special district; or

2872 (ii) 33% of registered voters residing within the special district proposed to be
2873 dissolved[-]; or

2874 (3) for an infrastructure financing district, a resolution adopted by the board of trustees.

2875 Section 46. Section 17B-1-1310 is amended to read:

2876 **17B-1-1310. Notice to lieutenant governor -- Recording requirements --**

2877 **Distribution of remaining assets.**

2878 (1) ~~(a)~~ Within the time specified in Subsection (1)(b), an administrative body
2879 shall file with the lieutenant governor a copy of a notice of an impending boundary action, as
2880 defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3)~~[:]~~.

2881 ~~[(a)]~~ (b) The administrative body shall file a notice of an impending boundary action
2882 under Subsection (1)(a) within 30 days after the day on which, as applicable:

2883 (i) the administrative body adopts a resolution approving the dissolution of an inactive
2884 special district; ~~or~~

2885 ~~[(b)]~~ (ii) ~~within 30 days after the day on which~~ a majority of the voters within an
2886 active special district approve the dissolution of the special district in an election described in
2887 Subsection 17B-1-1309(2)~~[:]~~; or

2888 (iii) for an infrastructure financing district, the administrative body adopts a resolution
2889 to dissolve the infrastructure financing district.

2890 (2) Upon the lieutenant governor's issuance of a certificate of dissolution under Section
2891 67-1a-6.5, the administrative body shall:

2892 (a) if the special district was located within the boundary of a single county, submit to
2893 the recorder of that county:

2894 (i) the original:

2895 (A) notice of an impending boundary action; and

2896 (B) certificate of dissolution; and

2897 (ii) a certified copy of the resolution that the administrative body adopts under
2898 Subsection 17B-1-1308(1); or

2899 (b) if the special district was located within the boundaries of more than a single
2900 county:

2901 (i) submit to the recorder of one of those counties:

2902 (A) the original notice of an impending boundary action and certificate of dissolution;

2903 and

2904 (B) if applicable, a certified copy of the resolution that the administrative body adopts
2905 under Subsection 17B-1-1308(1); and

2906 (ii) submit to the recorder of each other county:

2907 (A) a certified copy of the notice of an impending boundary action and certificate of
2908 dissolution; and

2909 (B) if applicable, a certified copy of the resolution that the administrative body adopts
2910 under Subsection 17B-1-1308(1).

2911 (3) Upon the lieutenant governor's issuance of the certificate of dissolution under
2912 Section 67-1a-6.5, the special district is dissolved.

2913 (4) (a) After the dissolution of a special district under this part, the administrative body
2914 shall use any assets of the special district remaining after paying all debts and other obligations
2915 of the special district to pay costs associated with the dissolution process.

2916 (b) If the administrative body is not the board of trustees of the dissolved special
2917 district, the administrative body shall pay any costs of the dissolution process remaining after
2918 exhausting the remaining assets of the special district as described in Subsection (4)(a).

2919 (c) If the administrative body is the board of trustees of the dissolved special district,
2920 each entity that has committed to provide a service that the dissolved special district previously
2921 provided, as described in Subsection 17B-1-1308(2)(b), shall pay, in the same proportion that
2922 the services the entity commits to provide bear to all of the services the special district
2923 provided, any costs of the dissolution process remaining after exhausting the remaining assets
2924 of the dissolved special district described in Subsection (4)(a).

2925 (5) (a) The administrative body shall distribute any assets of the special district that
2926 remain after the payment of debts, obligations, and costs under Subsection (4) in the following
2927 order of priority:

2928 (i) if there is a readily identifiable connection between the remaining assets and a
2929 financial burden borne by the real property owners in the dissolved special district,
2930 proportionately to those real property owners;

2931 (ii) if there is a readily identifiable connection between the remaining assets and a
2932 financial burden borne by the recipients of a service that the dissolved special district provided,
2933 proportionately to those recipients; and

2934 (iii) subject to Subsection (6), to each entity that has committed to provide a service
2935 that the dissolved special district previously provided, as described in Subsection
2936 [~~17B-1-1309(1)(b)(ii)~~] 17B-1-1308(2)(b)(i), in the same proportion that the services the entity
2937 commits to provide bear to all of the services the special district provided.

2938 (6) An entity that receives cash reserves of the dissolved special district under
2939 Subsection (5)(a)(iii) may not use the cash reserves:

2940 (a) in any way other than for the purpose the special district originally intended; or
2941 (b) in any area other than within the area that the dissolved special district previously
2942 served.

2943 Section 47. Section **17B-1-1402** is amended to read:

2944 **17B-1-1402. Board of trustees of a basic special district.**

2945 (1) As specified in a petition under Subsection **17B-1-203**(1)(a) or (b) or a resolution
2946 under Subsection [~~17B-1-203(1)(d) or (e)~~] **17B-1-203**(1)(e) or (f), and except as provided in
2947 Subsection (2), the members of a board of trustees of a basic special district may be:

2948 (a) (i) elected by registered voters; or

2949 (ii) appointed by the responsible body, as defined in Section **17B-1-201**; or

2950 (b) if the area of the special district contains less than one residential dwelling unit per
2951 50 acres of land at the time the resolution is adopted or the petition is filed, elected by the
2952 owners of real property within the special district based on:

2953 (i) the amount of acreage owned by property owners;

2954 (ii) the assessed value of property owned by property owners; or

2955 (iii) water rights:

2956 (A) relating to the real property within the special district;

2957 (B) that the real property owner:

2958 (I) owns; or

2959 (II) has transferred to the special district.

2960 (2) As specified in a groundwater right owner petition under Subsection

2961 **17B-1-203**(1)(c) or a resolution under Subsection [~~17B-1-203(1)(d) or (e)~~] **17B-1-203**(1)(e) or

2962 (f), the members of a board of trustees of a basic special district created to manage groundwater
2963 rights the district acquires or assesses under Section **17B-1-202** shall be:

2964 (a) subject to Section **17B-1-104.5**, elected by the owners of groundwater rights that
2965 are diverted within the special district;

2966 (b) appointed by the responsible body, as defined in Section **17B-1-201**; or

2967 (c) elected or appointed as provided in Subsection (3).

2968 (3) A petition under Subsection **17B-1-203**(1)(a) or (b) and a resolution under

2969 Subsection [~~17B-1-203(1)(d) or (e)~~] **17B-1-203**(1)(e) or (f) may provide for a transition from

2970 one or more methods of election or appointment under Subsection (1) or (2) to one or more

2971 other methods of election or appointment based upon milestones or events that the petition or
2972 resolution identifies.

2973 Section 48. Section **17B-2a-404** is amended to read:

2974 **17B-2a-404. Improvement district board of trustees.**

2975 (1) As used in this section:

2976 (a) "County district" means an improvement district that does not include within its
2977 boundaries any territory of a municipality.

2978 (b) "County member" means a member of a board of trustees of a county district.

2979 (c) "Electric district" means an improvement district that was created for the purpose of
2980 providing electric service.

2981 (d) "Included municipality" means a municipality whose boundaries are entirely
2982 contained within but do not coincide with the boundaries of an improvement district.

2983 (e) "Municipal district" means an improvement district whose boundaries coincide
2984 with the boundaries of a single municipality.

2985 (f) "Regular district" means an improvement district that is not a county district,
2986 electric district, or municipal district.

2987 (g) "Remaining area" means the area of a regular district that:

2988 (i) is outside the boundaries of an included municipality; and

2989 (ii) includes the area of an included municipality whose legislative body elects, under
2990 Subsection (5)(a)(ii), not to appoint a member to the board of trustees of the regular district.

2991 (h) "Remaining area member" means a member of a board of trustees of a regular
2992 district who is appointed, or, if applicable, elected to represent the remaining area of the
2993 district.

2994 (2) The legislative body of the municipality included within a municipal district may:

2995 (a) elect, at the time of the creation of the district, to be the board of trustees of the
2996 district; and

2997 (b) adopt at any time a resolution providing for:

2998 (i) the election of board of trustees members, as provided in Section [17B-1-306](#); or

2999 (ii) the appointment of board of trustees members, as provided in Section [17B-1-304](#).

3000 (3) (a) The legislative body of a county whose unincorporated area is partly or
3001 completely within a county district may:

3002 (i) elect, at the time of the creation of the district, to be the board of trustees of the
3003 district, even though a member of the legislative body of the county may not meet the
3004 requirements of Subsection 17B-1-302(1);

3005 (ii) adopt at any time a resolution providing for:

3006 (A) the election of board of trustees members, as provided in Section 17B-1-306; or
3007 (B) except as provided in Subsection (4), the appointment of board of trustees
3008 members, as provided in Section 17B-1-304; and

3009 (iii) if the conditions of Subsection (3)(b) are met, appoint a member of the legislative
3010 body of the county to the board of trustees, except that the legislative body of the county may
3011 not appoint more than three members of the legislative body of the county to the board of
3012 trustees.

3013 (b) A legislative body of a county whose unincorporated area is partly or completely
3014 within a county district may take an action under Subsection (3)(a)(iii) if:

3015 (i) more than 35% of the residences within a county district that receive service from
3016 the district are seasonally occupied homes, as defined in Subsection 17B-1-302(2)(a)(ii);
3017 (ii) the board of trustees are appointed by the legislative body of the county; and
3018 (iii) there are at least two appointed board members who meet the requirements of
3019 Subsections 17B-1-302(1), (2), ~~[and]~~ (3), (5), (6), and (7), except that a member of the
3020 legislative body of the county need not satisfy the requirements of Subsections 17B-1-302(1),
3021 (2), and (3).

3022 (4) Subject to Subsection (6)(d), the legislative body of a county may not adopt a
3023 resolution providing for the appointment of board of trustees members as provided in
3024 Subsection (3)(a)(ii)(B) at any time after the county district is governed by an elected board of
3025 trustees unless:

3026 (a) the elected board has ceased to function;
3027 (b) the terms of all of the elected board members have expired without the board
3028 having called an election; or
3029 (c) the elected board of trustees unanimously adopts a resolution approving the change
3030 from an elected to an appointed board.

3031 (5) (a) (i) Except as provided in Subsection (5)(a)(ii), the legislative body of each
3032 included municipality shall each appoint one member to the board of trustees of a regular

3033 district.

3034 (ii) The legislative body of an included municipality may elect not to appoint a member
3035 to the board under Subsection (5)(a)(i).

3036 (b) Except as provided in Subsection (6), the legislative body of each county whose
3037 boundaries include a remaining area shall appoint all other members to the board of trustees of
3038 a regular district.

3039 (6) Notwithstanding Subsection (3), each remaining area member of a regular district
3040 and each county member of a county district shall be elected, as provided in Section
3041 [17B-1-306](#), if:

3042 (a) the petition or resolution initiating the creation of the district provides for remaining
3043 area or county members to be elected;

3044 (b) the district holds an election to approve the district's issuance of bonds;

3045 (c) for a regular district, an included municipality elects, under Subsection (5)(a)(ii),
3046 not to appoint a member to the board of trustees; or

3047 (d) (i) at least 90 days before the municipal general election or regular general election,
3048 as applicable, a petition is filed with the district's board of trustees requesting remaining area
3049 members or county members, as the case may be, to be elected; and

3050 (ii) the petition is signed by registered voters within the remaining area or county
3051 district, as the case may be, equal in number to at least 10% of the number of registered voters
3052 within the remaining area or county district, respectively, who voted in the last gubernatorial
3053 election.

3054 (7) Subject to Section [17B-1-302](#), the number of members of a board of trustees of a
3055 regular district shall be:

3056 (a) the number of included municipalities within the district, if:

3057 (i) the number of included municipalities is greater than nine or is an odd number that
3058 is not greater than nine; and

3059 (ii) the district does not include a remaining area;

3060 (b) the number of included municipalities plus one, if the number of included
3061 municipalities within the district is an even number that is less than nine; and

3062 (c) the number of included municipalities plus two, if:

3063 (i) the number of included municipalities is an odd number that is less than nine; and

3064 (ii) the district includes a remaining area.

3065 (8) (a) Except as provided in Subsection (8)(b), each remaining area member of the
3066 board of trustees of a regular district shall reside within the remaining area.

3067 (b) Notwithstanding Subsection (8)(a) and subject to Subsection (8)(c), each remaining
3068 area member shall be chosen from the district at large if:

3069 (i) the population of the remaining area is less than 5% of the total district population;

3070 or

3071 (ii) (A) the population of the remaining area is less than 50% of the total district
3072 population; and

3073 (B) the majority of the members of the board of trustees are remaining area members.

3074 (c) Application of Subsection (8)(b) may not prematurely shorten the term of any
3075 remaining area member serving the remaining area member's elected or appointed term on May
3076 11, 2010.

3077 (9) If the election of remaining area or county members of the board of trustees is
3078 required because of a bond election, as provided in Subsection (6)(b):

3079 (a) a person may file a declaration of candidacy if:

3080 (i) the person resides within:

3081 (A) the remaining area, for a regular district; or

3082 (B) the county district, for a county district; and

3083 (ii) otherwise qualifies as a candidate;

3084 (b) the board of trustees shall, if required, provide a ballot separate from the bond
3085 election ballot, containing the names of candidates and blanks in which a voter may write
3086 additional names; and

3087 (c) the election shall otherwise be governed by Title 20A, Election Code.

3088 (10) (a) (i) This Subsection (10) applies to the board of trustees members of an electric
3089 district.

3090 (ii) Subsections (2) through (9) do not apply to an electric district.

3091 (b) The legislative body of the county in which an electric district is located may
3092 appoint the initial board of trustees of the electric district as provided in Section [17B-1-304](#).

3093 (c) After the initial board of trustees is appointed as provided in Subsection (10)(b),
3094 each member of the board of trustees of an electric district shall be elected by persons using

3095 electricity from and within the district.

3096 (d) Each member of the board of trustees of an electric district shall be a user of
3097 electricity from the district and, if applicable, the division of the district from which elected.

3098 (e) The board of trustees of an electric district may be elected from geographic
3099 divisions within the district.

3100 (f) A municipality within an electric district is not entitled to automatic representation
3101 on the board of trustees.

3102 Section 49. Section **17B-2a-405** is amended to read:

3103 **17B-2a-405. Board of trustees of certain sewer improvement districts.**

3104 (1) As used in this section:

3105 (a) "Jurisdictional boundaries" means:

3106 (i) for a qualified county, the boundaries that include:

3107 (A) the area of the unincorporated part of the county that is included within a sewer
3108 improvement district; and

3109 (B) the area of each nonappointing municipality that is included within the sewer
3110 improvement district; and

3111 (ii) for a qualified municipality, the boundaries that include the area of the municipality
3112 that is included within a sewer improvement district.

3113 (b) "Nonappointing municipality" means a municipality that:

3114 (i) is partly included within a sewer improvement district; and

3115 (ii) is not a qualified municipality.

3116 (c) "Qualified county" means a county:

3117 (i) some or all of whose unincorporated area is included within a sewer improvement
3118 district; or

3119 (ii) which includes within its boundaries a nonappointing municipality.

3120 (d) "Qualified county member" means a member of a board of trustees of a sewer
3121 improvement district appointed under Subsection (3)(a)(ii).

3122 (e) "Qualified municipality" means a municipality that is partly or entirely included
3123 within a sewer improvement district that includes:

3124 (i) all of the municipality that is capable of receiving sewage treatment service from the
3125 sewer improvement district; and

3126 (ii) more than half of:

3127 (A) the municipality's land area; or

3128 (B) the assessed value of all private real property within the municipality.

3129 (f) "Qualified municipality member" means a member of a board of trustees of a sewer
3130 improvement district appointed under Subsection (3)(a)(i).

3131 (g) "Sewer improvement district" means an improvement district that:

3132 (i) provides sewage collection, treatment, and disposal service; and

3133 (ii) made an election before 1954 under Laws of Utah 1953, Chapter 29, to enable it to
3134 continue to appoint its board of trustees members as provided in this section.

3135 (2) (a) Notwithstanding Section [17B-2a-404](#), the board of trustees members of a sewer
3136 improvement district shall be appointed as provided in this section.

3137 (b) The board of trustees of a sewer improvement district may revoke the election
3138 under Subsection (1)(d) and become subject to the provisions of Section [17B-2a-404](#) only by
3139 the unanimous vote of all members of the sewer improvement district's board of trustees at a
3140 time when there is no vacancy on the board.

3141 (3) (a) The board of trustees of each sewer improvement district shall consist of:

3142 (i) at least one person but not more than three persons appointed by the mayor of each
3143 qualified municipality, with the consent of the legislative body of that municipality; and

3144 (ii) at least one person but not more than three persons appointed by:

3145 (A) the county executive, with the consent of the county legislative body, for a
3146 qualified county operating under a county executive-council form of county government; or

3147 (B) the county legislative body, for each other qualified county.

3148 (b) Each qualified county member appointed under Subsection (3)(a)(ii) shall represent
3149 the area within the jurisdictional boundaries of the qualified county.

3150 (4) Notwithstanding Subsection [~~17B-1-302(4)~~] [17B-1-302\(8\)](#), the number of board of
3151 trustees members of a sewer improvement district shall be the number that results from
3152 application of Subsection (3)(a).

3153 (5) Except as provided in this section, an appointment to the board of trustees of a
3154 sewer improvement district is governed by Section [17B-1-304](#).

3155 (6) A quorum of a board of trustees of a sewer improvement district consists of
3156 members representing more than 50% of the total number of qualified county and qualified

3157 municipality votes under Subsection (7).

3158 (7) (a) Subject to Subsection (7)(b), each qualified county and each qualified
3159 municipality is entitled to one vote on the board of trustees of a sewer improvement district for
3160 each \$10,000,000, or fractional part larger than 1/2 of that amount, of assessed valuation of
3161 private real property taxable for district purposes within the respective jurisdictional
3162 boundaries, as shown by the assessment records of the county and evidenced by a certificate of
3163 the county auditor.

3164 (b) Notwithstanding Subsection (7)(a), each qualified county and each qualified
3165 municipality shall have at least one vote.

3166 (8) If a qualified county or qualified municipality appoints more than one board
3167 member, all the votes to which the qualified county or qualified municipality is entitled under
3168 Subsection (7) for an item of board business shall collectively be cast by a majority of the
3169 qualified county members or qualified municipal members, respectively, present at a meeting
3170 of the board of trustees.

3171 Section 50. Section **17B-2a-407** is amended to read:

3172 **17B-2a-407. Nonfunctioning improvement district -- Replacing board of trustees.**

3173 (1) As used in this section:

3174 (a) "Applicable certificate" means the same as that term is defined in Subsection
3175 [67-1a-6.5\(1\)\(a\)](#).

3176 (b) (i) "Non-functioning improvement district" means an improvement district:

3177 (A) for which the lieutenant governor issues an applicable certificate on or after July 1,
3178 2022, but before October 15, 2023;

3179 (B) for which the legislative body of a county elected to be the board of trustees of the
3180 district under Subsection [17B-2a-404\(3\)\(a\)](#); and

3181 (C) (I) for which the responsible body has not, within 100 days after the day on which
3182 the lieutenant governor issued the applicable certificate, complied with the recording
3183 requirements described in Subsection [17B-1-215\(2\)](#); or

3184 (II) whose board of trustees has not, within 100 days after the day on which the
3185 lieutenant governor issued the applicable certificate, held a meeting as the board of trustees of
3186 the improvement district, that was noticed and held in accordance with the requirements of
3187 Title 52, Chapter 4, Open and Public Meetings Act.

3188 (ii) "Non-functioning improvement district" does not include an improvement district
3189 that has emerged from non-functioning status under Subsection (6)(c)(ii).

3190 (2) (a) The board of trustees of a non-functioning improvement district may not, after
3191 the 100-day period described in Subsection (1)(b)(i)(C)(I), take any action as the board of
3192 trustees or on behalf of the non-functioning improvement district.

3193 (b) Any action taken in violation of Subsection (2)(a) is void.

3194 (3) (a) An owner of land located within the boundaries of a non-functioning
3195 improvement district may file with the lieutenant governor a request to replace the board of
3196 trustees with a new board of trustees.

3197 (b) A new board of trustees described in Subsection (3)(a) shall comprise three
3198 individuals who are:

3199 (i) owners of land located within the boundaries of the improvement district; or

3200 (ii) agents of owners of land located within the boundaries of the improvement district.

3201 (4) A request described in Subsection (3) shall include:

3202 (a) the name and mailing address of the land owner who files the request;

3203 (b) the name of the improvement district;

3204 (c) a copy of the applicable certificate for the improvement district;

3205 (d) written consent to the request from each owner of land located within the
3206 boundaries of the improvement district; and

3207 (e) the names and mailing addresses of three individuals who will serve as the board of
3208 trustees of the improvement district until a new board of trustees is organized under Subsection
3209 (9).

3210 (5) Within 14 days after the day on which the lieutenant governor receives a request
3211 described in Subsections (3) and (4), the lieutenant governor shall:

3212 (a) determine whether:

3213 (i) the district is a non-functioning improvement district;

3214 (ii) the request complies with Subsection (4); and

3215 (b) if the lieutenant governor determines that the requirements described in Subsection
3216 (5)(a) are met, grant the request by issuing a certificate of replacement described in Subsection
3217 (6).

3218 (6) A certificate of replacement shall:

- 3219 (a) state the name of the improvement district;
- 3220 (b) reference the applicable certificate for the improvement district;
- 3221 (c) declare that, upon issuance of the certificate:
- 3222 (i) the existing board of trustees for the improvement district is dissolved and replaced
- 3223 by an interim board of trustees consisting of the three individuals described in Subsection
- 3224 (4)(e); and
- 3225 (ii) the improvement district is removed from nonfunctioning status and is, beginning
- 3226 at that point in time, a functioning improvement district.
- 3227 (7) The interim board of trustees described in Subsection (6)(c)(i) shall record, in the
- 3228 recorder's office for a county in which all or a portion of the improvement district exists:
- 3229 (a) the original of the certificate of replacement; and
- 3230 (b) the original or a copy of:
- 3231 (i) the items described in Subsections [17B-1-215](#)(2)(a)(i)(A), (B), and (C); and
- 3232 (ii) if applicable, a copy of each resolution adopted under Subsection [17B-1-213](#)(5).
- 3233 (8) Until a new board of trustees is organized under Subsection (9):
- 3234 (a) the interim board of trustees has the full authority of a board of trustees of an
- 3235 improvement district; and
- 3236 (b) a majority of the owners of land in the improvement district:
- 3237 (i) may appoint an individual described in Subsection (3)(b) to fill a vacancy on the
- 3238 interim board of trustees; and
- 3239 (ii) shall file written notification of the appointment of an individual described in
- 3240 Subsection (8)(b)(i) with the lieutenant governor.
- 3241 (9) Within 90 days after the day on which at least 20 persons own land within the
- 3242 improvement district, the interim board of trustees described in Subsection (6)(c)(i) shall
- 3243 dissolve and be replaced by a board of trustees described in Subsections [17B-1-302](#)(1) through
- 3244 ~~[(3)(a)]~~ (3), except that:
- 3245 (a) the board of trustees shall comprise three members, appointed by the lieutenant
- 3246 governor, who are owners of property in the district, agents of an owner of property in the
- 3247 district, or residents of the district;
- 3248 (b) Subsections [~~[17B-1-302](#)(3)(c) through (6)]~~ [17B-1-302](#)(6) through (10) and Section
- 3249 [17B-2a-404](#) do not apply to the improvement district; and

3250 (c) a member of the legislative body of the county may not serve as a member of the
3251 board of trustees.

3252 Section 51. Section **17B-2a-604** is amended to read:

3253 **17B-2a-604. Metropolitan water district board of trustees.**

3254 (1) Members of the board of trustees of a metropolitan water district shall be:

3255 (a) elected in accordance with:

3256 (i) the petition or resolution that initiated the process of creating the metropolitan water
3257 district; and

3258 (ii) Section [17B-1-306](#);

3259 (b) appointed in accordance with Subsection (2); or

3260 (c) elected under Subsection (3)(a).

3261 (2) (a) This Subsection (2) shall apply to an appointed board of trustees of a
3262 metropolitan water district.

3263 (b) If a district contains the area of a single municipality:

3264 (i) the legislative body of that municipality shall appoint each member of the board of
3265 trustees; and

3266 (ii) one member shall be the officer with responsibility over the municipality's water
3267 supply and distribution system, if the system is municipally owned.

3268 (c) If a district contains some or all of the retail water service area of more than one
3269 municipality:

3270 (i) the legislative body of each municipality shall appoint the number of members for
3271 that municipality as determined under Subsection (2)(c)(ii);

3272 (ii) subject to Subsection (2)(c)(iii), the number of members appointed by each
3273 municipality shall be determined:

3274 (A) by agreement between the metropolitan water district and the municipalities,
3275 subject to Subsection [~~17B-1-302(4)~~] [17B-1-302\(8\)](#); or

3276 (B) as provided in Chapter 1, Part 3, Board of Trustees; and

3277 (iii) at least one member shall be appointed by each municipality.

3278 (d) Each trustee shall be appointed without regard to partisan political affiliations from
3279 among citizens of the highest integrity, attainment, competence, and standing in the
3280 community.

3281 (3) (a) Members of the board of trustees of a metropolitan water district shall be
3282 elected in accordance with Section 17B-1-306, if, subject to Subsection (3)(b):

3283 (i) three-fourths of all members of the board of trustees of the metropolitan water
3284 district vote in favor of changing to an elected board; and

3285 (ii) the legislative body of each municipality that appoints a member to the board of
3286 trustees adopts a resolution approving the change to an elected board.

3287 (b) A change to an elected board of trustees under Subsection (3)(a) may not shorten
3288 the term of any member of the board of trustees serving at the time of the change.

3289 (4) A member of the board of trustees of a metropolitan water district shall be:

3290 (a) a registered voter;

3291 (b) a property taxpayer; and

3292 (c) a resident of:

3293 (i) the metropolitan water district; and

3294 (ii) the retail water service area of the municipality that:

3295 (A) elects the member; or

3296 (B) the member is appointed to represent.

3297 (5) (a) Except as provided in Subsection (7), a member shall immediately forfeit the
3298 member's seat on the board of trustees if the member becomes elected or appointed to office in
3299 or becomes an employee of the municipality whose legislative body appointed the member
3300 under Subsection (2).

3301 (b) The position of the member described in Subsection (5)(a) is vacant until filled as
3302 provided in Section 17B-1-304.

3303 (6) Except as provided in Subsection (7), the term of office of each member of the
3304 board of trustees is as provided in Section 17B-1-303.

3305 (7) Subsections (4), (5)(a), and (6) do not apply to a member who is a member under
3306 Subsection (2)(b)(ii).

3307 Section 52. Section 17B-2a-704 is amended to read:

3308 **17B-2a-704. Mosquito abatement district board of trustees.**

3309 (1) (a) Notwithstanding Subsection [~~17B-1-302(4)~~] 17B-1-302(8):

3310 (i) the board of trustees of a mosquito abatement district consists of no less than five
3311 members appointed in accordance with this section; and

3312 (ii) subject to Subsection (1)(b), the legislative body of each municipality that is
3313 entirely or partly included within a mosquito abatement district shall appoint one member to
3314 the board of trustees.

3315 (b) If 75% or more of the area of a mosquito abatement district is within the boundaries
3316 of a single municipality:

3317 (i) the board of trustees consists of five members; and

3318 (ii) the legislative body of that municipality shall appoint all five members of the
3319 board.

3320 (2) Except as provided in Subsection (1), the legislative body of each county in which a
3321 mosquito abatement district is located shall appoint at least one member but no more than three
3322 members to the district's board of trustees as follows:

3323 (a) the county may appoint one member if:

3324 (i) (A) some or all of the county's unincorporated area is included within the
3325 boundaries of the mosquito abatement district; and

3326 (B) Subsection (2)(b) does not apply; or

3327 (ii) (A) the number of municipalities that are entirely or partly included within the
3328 district is an even number less than nine; and

3329 (B) Subsection (1)(b) does not apply; or

3330 (b) subject to Subsection (3), the county may appoint up to and including three
3331 members if:

3332 (i) more than 25% of the population of the mosquito abatement district resides outside
3333 the boundaries of all municipalities that may appoint members to the board of trustees; and

3334 (ii) a municipality appoints at least four members of the board of trustees.

3335 (3) A county may not appoint a member in accordance with Subsection (2)(b) who
3336 resides within a municipality that may appoint a member to the board of trustees.

3337 (4) If the number of board members appointed by application of Subsections (1) and
3338 (2)(a) is an even number less than nine, the legislative body of the county in which the district
3339 is located shall appoint an additional member.

3340 (5) Notwithstanding Subsection (2), and subject to Subsection (1)(b):

3341 (a) if the mosquito abatement district is located entirely within one county and, in
3342 accordance with this section, only one municipality may appoint a member of the board of

3343 trustees, the county legislative body shall appoint at least four members to the district's board
3344 of trustees; and

3345 (b) if the mosquito abatement district is located entirely within one county and no
3346 municipality may appoint a member of the board of trustees, the county legislative body shall
3347 appoint all of the members of the board.

3348 (6) Each board of trustees member is appointed in accordance with Section 17B-1-304.

3349 (7) The applicable appointing authority shall fill each vacancy on a mosquito
3350 abatement district board of trustees in accordance with Section 17B-1-304, or if the vacancy is
3351 a midterm vacancy, in accordance with Section 20A-1-512.

3352 Section 53. Section 17B-2a-905 is amended to read:

3353 **17B-2a-905. Service area board of trustees.**

3354 (1) (a) Except as provided in Subsection (2), (3), or (4):

3355 (i) the initial board of trustees of a service area located entirely within the
3356 unincorporated area of a single county may, as stated in the petition or resolution that initiated
3357 the process of creating the service area:

3358 (A) consist of the county legislative body;

3359 (B) be appointed, as provided in Section 17B-1-304; or

3360 (C) be elected, as provided in Section 17B-1-306;

3361 (ii) if the board of trustees of a service area consists of the county legislative body, the
3362 board may adopt a resolution providing for future board members to be appointed, as provided
3363 in Section 17B-1-304, or elected, as provided in Section 17B-1-306; and

3364 (iii) members of the board of trustees of a service area shall be elected, as provided in
3365 Section 17B-1-306, if:

3366 (A) the service area is not entirely within the unincorporated area of a single county;

3367 (B) a petition is filed with the board of trustees requesting that board members be
3368 elected, and the petition is signed by registered voters within the service area equal in number
3369 to at least 10% of the number of registered voters within the service area who voted at the last
3370 gubernatorial election; or

3371 (C) an election is held to authorize the service area's issuance of bonds.

3372 (b) If members of the board of trustees of a service area are required to be elected
3373 under Subsection (1)(a)(iii)(C) because of a bond election:

3374 (i) board members shall be elected in conjunction with the bond election;
3375 (ii) the board of trustees shall:
3376 (A) establish a process to enable potential candidates to file a declaration of candidacy
3377 sufficiently in advance of the election; and
3378 (B) provide a ballot for the election of board members separate from the bond ballot;
3379 and
3380 (iii) except as provided in this Subsection (1)(b), the election shall be held as provided
3381 in Section [17B-1-306](#).
3382 (2) (a) This Subsection (2) applies to a service area created on or after May 5, 2003, if:
3383 (i) the service area was created to provide:
3384 (A) fire protection, paramedic, and emergency services; or
3385 (B) law enforcement service;
3386 (ii) in the creation of the service area, an election was not required under Subsection
3387 [17B-1-214\(3\)\(d\)](#); and
3388 (iii) the service area is not a service area described in Subsection (3).
3389 (b) (i) Each county with unincorporated area that is included within a service area
3390 described in Subsection (2)(a), whether in conjunction with the creation of the service area or
3391 by later annexation, shall appoint up to three members to the board of trustees.
3392 (ii) Each municipality with an area that is included within a service area described in
3393 Subsection (2)(a), whether in conjunction with the creation of the service area or by later
3394 service area annexation or municipal incorporation or annexation, shall appoint one member to
3395 the board of trustees, unless the area of the municipality is withdrawn from the service area.
3396 (iii) Each member that a county or municipality appoints under Subsection (2)(b)(i) or
3397 (ii) shall be an elected official of the appointing county or municipality, respectively.
3398 (c) Notwithstanding Subsection [~~17B-1-302(4)~~] [17B-1-302\(8\)](#), the number of members
3399 of a board of trustees of a service area described in Subsection (2)(a) shall be the number
3400 resulting from application of Subsection (2)(b).
3401 (3) (a) This Subsection (3) applies to a service area created on or after May 14, 2013,
3402 if:
3403 (i) the service area was created to provide fire protection, paramedic, and emergency
3404 services;

3405 (ii) in the creation of the service area, an election was not required under Subsection
3406 [17B-1-214\(3\)\(d\)](#); and

3407 (iii) each municipality with an area that is included within the service area or county
3408 with unincorporated area, whether in whole or in part, that is included within a service area is a
3409 party to an agreement:

3410 (A) entered into in accordance with Title 11, Chapter 13, Interlocal Cooperation Act,
3411 with all the other municipalities or counties with an area that is included in the service area;

3412 (B) to provide the services described in Subsection (3)(a)(i); and

3413 (C) at the time a resolution proposing the creation of the service area is adopted by
3414 each applicable municipal or county legislative body in accordance with Subsection
3415 ~~[[17B-1-203\(1\)\(d\)](#)]~~ [17B-1-203\(1\)\(e\)](#).

3416 (b) (i) Each county with unincorporated area, whether in whole or in part, that is
3417 included within a service area described in Subsection (3)(a), whether in conjunction with the
3418 creation of the service area or by later annexation, shall appoint one member to the board of
3419 trustees.

3420 (ii) Each municipality with an area that is included within a service area described in
3421 Subsection (3)(a), whether in conjunction with the creation of the service area or by later
3422 annexation, shall appoint one member to the board of trustees.

3423 (iii) Each member that a county or municipality appoints under Subsection (3)(b)(i) or
3424 (ii) shall be an elected official of the appointing county or municipality, respectively.

3425 (iv) A vote by a member of the board of trustees may be weighted or proportional.

3426 (c) Notwithstanding Subsection ~~[[17B-1-302\(4\)](#)]~~ [17B-1-302\(8\)](#), the number of members
3427 of a board of trustees of a service area described in Subsection (3)(a) is the number resulting
3428 from the application of Subsection (3)(b).

3429 (4) (a) This Subsection (4) applies to a service area if:

3430 (i) the service area provides a service to a municipality in accordance with an
3431 agreement between the service area and the municipality in accordance with Title 11, Chapter
3432 13, Interlocal Cooperation Act;

3433 (ii) the municipality is not included within the service area's boundary;

3434 (iii) the governing body of the municipality petitions the service area to request
3435 authority to appoint one member of the board of trustees of the service area; and

- 3436 (iv) the service area board of trustees approves the petition.
- 3437 (b) The governing body of a municipality described in Subsection (4)(a) may appoint a
- 3438 member of a service area board of trustees as follows:
- 3439 (i) the governing body shall make the appointment in accordance with:
- 3440 (A) Section [17B-1-304](#); or
- 3441 (B) to fill a mid-term vacancy, Subsection [20A-1-512\(1\)](#);
- 3442 (ii) the governing body may not appoint an individual who is not a registered voter
- 3443 residing within the municipality;
- 3444 (iii) the district boundary requirement in Subsection [17B-1-302\(1\)](#) does not apply to
- 3445 the governing body's appointee;
- 3446 (iv) the governing body and the service area board of trustees may not shorten the term
- 3447 of office of any member of the board due to the governing body's appointment;
- 3448 (v) notwithstanding Subsection [~~[17B-1-302\(4\)](#)~~] [17B-1-302\(8\)](#), the number of members
- 3449 of the board of trustees of a service area described in Subsection (4)(a) may be odd or even;
- 3450 and
- 3451 (vi) if the number of members of a service area board of trustees is odd before the
- 3452 governing body's appointment, the member that the governing body appoints may replace a
- 3453 member whose term is expiring or who otherwise leaves a vacancy on the board or, if no
- 3454 expiring term or vacancy exists:
- 3455 (A) the number of board members may temporarily be even, including the member that
- 3456 the governing body appoints, until an expiring term or vacancy exists that restores the board
- 3457 membership to an odd number; and
- 3458 (B) no appointing authority may fill the expiring term or vacancy that restores the
- 3459 board membership to an odd number.
- 3460 (c) (i) The service area board of trustees may rescind the approval described in
- 3461 Subsection (4)(a) at any time.
- 3462 (ii) If the service area board of trustees rescinds the approval described in Subsection
- 3463 (4)(a) during the term of a board member that the governing body appointed, the appointee
- 3464 shall remain on the board for the remainder of the appointee's term.
- 3465 Section 54. Section **17B-2a-1301** is enacted to read:

3466 **Part 13. Infrastructure Financing District**

3467 17B-2a-1301. Definitions.

3468 As used in this part:

3469 (1) "Assessment bond" means the same as that term is defined in Section 11-42-102.

3470 (2) "Board" means the board of trustees of an infrastructure financing district.

3471 (3) "Designated expansion area" means an area that is:

3472 (a) outside and contiguous to the original district boundary; and

3473 (b) designated and described in a governing document as an area that may be subject to
3474 future annexation to the infrastructure financing district.

3475 (4) "Governing document" means a document described in Section 17B-2a-1303.

3476 (5) "Original district boundary" means the boundary of an infrastructure financing
3477 district as described in the approved final local entity plat, as defined in Section 67-1a-6.5.

3478 (6) (a) "Public infrastructure and improvements" means infrastructure, improvements,
3479 facilities, or buildings that:

3480 (i) benefit the public; and

3481 (ii) (A) are or will be owned by a public entity or a utility; or

3482 (B) are publicly maintained or operated by a public entity.

3483 (b) "Public infrastructure and improvements" includes:

3484 (i) facilities, lines, or systems that provide:

3485 (A) sewer, storm drainage, natural gas, electricity, energy storage, renewable energy,
3486 microgrids, or telecommunications service;

3487 (B) streets, roads, curb, gutter, sidewalk, solid waste facilities, parking facilities, or
3488 public transportation facilities; and

3489 (C) green space, parks, trails, recreational amenities, or other similar facilities.

3490 (c) "Public infrastructure and improvements" does not include any infrastructure,
3491 improvements, facilities, or buildings owned or to be owned by a private person, including a
3492 homeowner association.

3493 (7) "Residential district" means an infrastructure financing district that contains or is
3494 projected to contain owner-occupied residential units within the boundary of the infrastructure
3495 financing district.

3496 Section 55. Section 17B-2a-1302 is enacted to read:

3497 17B-2a-1302. Provisions applicable to infrastructure financing district --

3498 **Exceptions -- Conflicting provisions -- Contract for administrative services.**

3499 (1) ~~Ŝ→ [(a)] ←Ŝ~~ An infrastructure financing district is governed by and has the powers
3499a stated in:

3500 ~~Ŝ→ [(a)] ←Ŝ~~ this part; and

3501 ~~Ŝ→ [(b)] ←Ŝ~~ Chapter 1, Provisions Applicable to All Special Districts, except as
3501a provided in

3502 Subsection (1)(b).

3503 (2) (a) Notwithstanding Subsection 17B-1-103(2)(f), an infrastructure financing district
3504 may issue bonds only as provided in Title 11, Chapter 42, Assessment Area Act, subject to
3505 Subsection (1)(b)(i)(B), and Title 11, Chapter 42a, Commercial Property Assessed Clean
3506 Energy Act.

3507 (b) To the extent that the provisions of Title 11, Chapter 42, Assessment Area Act,
3508 apply to the use of funds from an assessment or an assessment bond for infrastructure operation
3509 and maintenance costs or for the cost of conducting economic promotion activities, those
3510 provisions do not apply to an infrastructure financing district.

3511 (c) Before a county or municipality's final inspection required for the issuance of a
3512 certificate of occupancy for a residential unit that is subject to an assessment levied by an
3513 infrastructure financing district under Title 11, Chapter 42, Assessment Area Act, the
3514 infrastructure financing district shall ensure that the assessment allocable to that unit is paid in
3515 full and that any assessment lien on that unit is satisfied and released.

3516 (3) Notwithstanding Subsection 17B-1-103(2)(h), an infrastructure financing district
3517 may not exercise the power of eminent domain.

3518 (4) This part applies only to an infrastructure financing district.

3519 (5) If there is a conflict between a provision in Chapter 1, Provisions Applicable to All
3520 Special Districts, and a provision in this part, the provision in this part governs.

3521 (6) An infrastructure financing district may contract with another governmental entity
3522 for the other governmental entity to provide administrative services to the infrastructure
3523 financing district.

3524 Section 56. Section **17B-2a-1303** is enacted to read:

3525 **17B-2a-1303. Governing document.**

3526 (1) The sponsors of a petition filed under Subsection 17B-1-203(1)(d) to create an
3527 infrastructure financing district may include with the petition a governing document.

3528 (2) A governing document may contain provisions for the governance of the

3529 infrastructure financing district, consistent with this part, including:

3530 (a) for a residential district, milestones or events that will guide the board in
 3531 considering modifications to division boundaries to ensure that each division has as nearly as
 3532 possible the same number of registered voters;

3533 (b) a provision allowing a property owner within the infrastructure financing district to
 3534 make recommendations, in proportion to the amount of the owner's property in relation to all
 3535 property within the infrastructure financing district, for individuals to serve as appointed board
 3536 members; and

3537 (c) any other provisions or information that petition sponsors or the board considers
 3538 necessary or advisable for the governance of the infrastructure financing district.

3539 (3) A governing document shall:

3540 (a) include a description of infrastructure that the infrastructure financing district will
 3541 provide funding for;

3542 (b) include, for a residential district, a provision for a transition from an appointment
 3543 board position, whether at large or for a division, to an elected board position, based upon
 3544 milestones or events that the ~~§~~→ [government] governing ←~~§~~ document identifies;

3545 (c) if applicable, include a copy of a development agreement that has been executed
 3546 relating to infrastructure to be developed within the boundary of the infrastructure financing
 3547 district and for which the infrastructure financing district anticipates providing funding; and

3548 (d) if applicable, describe a designated expansion area.

3549 (4) (a) An area may not be designated as a designated expansion area unless the area is
 3550 contiguous to the original district boundary.

3551 (b) An area may not be annexed to an infrastructure financing district unless the area is
 3552 within the designated expansion area that is described in a governing document that is included
 3553 and submitted with the petition to create the infrastructure financing district.

3554 Section 57. Section **17B-2a-1304** is enacted to read:

3555 **17B-2a-1304. Board of trustees -- Conflict of interest -- Compensation.**

3556 (1) A board member with a personal investment described in Section [67-16-9](#) is not in
 3557 violation of Section [67-16-9](#) if:

3558 (a) before beginning service as a board member, the board member complies with the
 3559 disclosure requirements of Section [67-16-7](#), as though that section applied to the board

3560 member's ownership of a personal investment described in Section 67-16-9; and
 3561 (b) during the board member's service, the board member complies with:
 3562 (i) the disclosure requirements of Section 67-16-7, as provided in Subsection (1)(a),
 3563 upon any significant change in the board member's personal investment; and
 3564 (ii) applicable requirements of this part and the governing document.
 3565 (2) An infrastructure financing district may not compensate a board member for the
 3566 member's service on the board unless the board member is a resident within the boundary of
 3567 the infrastructure financing district.

3568 Section 58. Section 17B-2a-1305 is enacted to read:

3569 **17B-2a-1305. Relationship with other local entities.**

3570 (1) The applicability of local land use regulations under Title 10, Chapter 9a,
 3571 Municipal Land Use, Development, and Management Act, or Title 17, Chapter 27a, County
 3572 Land Use, Development, and Management Act, is not affected by:

- 3573 (a) the creation or operation of an infrastructure financing district; or
- 3574 (b) the infrastructure financing district's provision of funding for the development of
 3575 infrastructure within the infrastructure financing district boundary.

3576 (2) The boundary of an infrastructure financing district is not affected by:

- 3577 (a) a municipality's annexation of an unincorporated area of a county; or
- 3578 (b) the adjustment of a boundary shared by more than one municipality.

3579 (3) A debt, obligation, or other financial burden of an infrastructure financing district,
 3580 including any liability of or claim or judgment against an infrastructure financing district:

- 3581 (a) is borne solely by the infrastructure financing district; and
- 3582 (b) is not the debt, obligation, or other financial burden of any other political
 3583 subdivision of the state or of the state.

3584 (4) (a) Nothing in this part affects the requirement for infrastructure for which an
 3585 infrastructure financing district provides funding to comply with all applicable standards and
 3586 design, inspection, and other requirements of the county ~~to~~ , ~~the~~ municipality ~~to~~ **[with**
 3586a **jurisdiction over]** , **special district, or special service district that will own and operate** ~~to~~
 3587 **the infrastructure after the infrastructure is completed** ~~to~~ .

3588 (b) Upon the completion of infrastructure for which an infrastructure financing district
 3589 has provided funding, the infrastructure shall be conveyed ~~to~~ :

- 3589a (i) ~~to~~ to the county, municipality, ~~to~~ ~~the~~ ~~county,~~
 3590 special district ~~to~~ **[with jurisdiction over]** , or special service district that will operate ~~to~~ the
 3590a infrastructure ~~to~~ [2] ; and

- 3590b (ii) ~~to~~ at no cost to the county, municipality,

3591 ~~§~~ → [or] ← ~~§~~ special district ~~§~~ → , or special service district ← ~~§~~ .

3592 Section 59. Section **17B-2a-1306** is enacted to read:

3593 **17B-2a-1306. Contesting an infrastructure financing district action.**

3594 (1) As used in this section:

3595 (a) "Contestable action" means:

3596 (i) the creation of an infrastructure financing district or any part of the process to create
3597 an infrastructure financing district;

3598 (ii) a property tax levied by an infrastructure financing district or any part of the
3599 process to levy the tax; or

3600 (iii) a fee imposed by an infrastructure financing district or any part of the process to
3601 impose the fee.

3602 (b) "Effective date" means:

3603 (i) with respect to the creation of an infrastructure financing district, the date of the
3604 lieutenant governor's issuance of a certificate of creation under Section [67-1a-6.5](#);

3605 (ii) with respect to a property tax levied by an infrastructure financing district, the date
3606 of the board's adoption of a resolution levying the tax; and

3607 (iii) for a fee imposed by an infrastructure financing district, the date of the board's
3608 adoption of a resolution imposing the fee.

3609 (2) (a) A person may file a court action to contest the legality or validity of a
3610 contestable action.

3611 (b) A court action under Subsection (2)(a) is the exclusive remedy for a person to
3612 contest the legality or validity of a contestable action.

3613 (3) A person may not bring an action under Subsection (2) or serve a summons relating
3614 to the action more than 30 days after the effective date of the contestable action.

3615 (4) After the expiration of the 30-day period stated in Subsection (3):

3616 (a) a contestable action becomes incontestable against any person who has not brought
3617 an action and served a summons within the time specified in Subsection (3); and

3618 (b) a person may not bring an action to:

3619 (i) enjoin an infrastructure financing district from levying and collecting a property tax
3620 or imposing and collecting a fee that the infrastructure financing district levies or imposes; or

3621 (ii) attack or question in any way the legality or validity of a contestable action.

3622 (5) (a) This section does not affect a claim for a misuse of funds against the
3623 infrastructure financing district or an officer or employee of the infrastructure financing district.

3624 (b) A person may not seek relief for a claimed misuse of funds described in Subsection
3625 (5)(a) except for injunctive relief.

3626 (c) The limitation under Subsection (5)(b) does not affect the filing or prosecution of
3627 criminal charges for the misuse of infrastructure financing district funds.

3628 Section 60. Section **17B-2a-1307** is enacted to read:

3629 **17B-2a-1307. Reporting requirements.**

3630 (1) An infrastructure financing district shall submit an annual report, as provided in
3631 this section, to:

3632 (a) the state auditor; ~~and~~

3633 (b) the clerk or recorder of each municipality in which the infrastructure financing
3634 district is located ~~and~~ ; and

3634a (c) the clerk of the county in which the infrastructure financing district is located, if all
3634b or part of the infrastructure financing district is located in an unincorporated area of the
3634c county. ~~and~~

3635 (2) A report required under Subsection (1) shall:

3636 (a) be filed no later than May 31 of each year; and

3637 (b) report, for the preceding calendar year:

3638 (i) if applicable, the amount of property tax revenue the infrastructure financing district
3639 received;

3640 (ii) the amount of money the infrastructure financing district received from
3641 assessments levied in an assessment area designated under Title 11, Chapter 42, Assessment
3642 Area Act;

3643 (iii) the outstanding principal of any assessment bonds issued or other debt incurred by
3644 the infrastructure financing district;

3645 (iv) the amount spent for site improvement or site preparation costs, the installation of
3646 public infrastructure and improvements, and administrative costs;

3647 (v) any boundary change of the infrastructure financing district; and

3648 (vi) the number of residential housing units constructed within the infrastructure
3649 financing district.

3650 Section 61. Section **20A-1-512** is amended to read:

3651 **20A-1-512. Midterm vacancies on local district boards -- Notice.**

3652 (1) (a) When a vacancy occurs on any special district board for any reason, the

3653 following shall appoint a replacement to serve out the unexpired term in accordance with this
3654 section:

3655 (i) the special district board, if the person vacating the position was elected; or

3656 (ii) the appointing authority, as that term is defined in Section 17B-1-102, if the
3657 appointing authority appointed the person vacating the position.

3658 (b) Except as provided in Subsection (1)(c) or (d), before acting to fill the vacancy, the
3659 special district board or appointing authority shall:

3660 (i) give public notice of the vacancy for at least two weeks before the special district
3661 board or appointing authority meets to fill the vacancy by publishing the notice, as a class A
3662 notice under Section 63G-30-102, for the special district; and

3663 (ii) identify, in the notice:

3664 (A) the date, time, and place of the meeting where the vacancy will be filled;

3665 (B) the individual to whom an individual who is interested in an appointment to fill the
3666 vacancy may submit the individual's name for consideration; and

3667 (C) any submission deadline.

3668 (c) An appointing authority is not subject to Subsection (1)(b) if:

3669 (i) (A) the appointing authority appoints one of the appointing authority's own
3670 members; and

3671 ~~[(ii)]~~ (B) that member meets all applicable statutory board member qualifications~~[-];~~ or

3672 (ii) the vacancy is on the board of trustees of an infrastructure financing district with no
3673 residents within the district's boundary.

3674 (d) When a vacancy occurs on the board of a water conservancy district located in
3675 more than one county:

3676 (i) the board shall give notice of the vacancy to the county legislative bodies that
3677 nominated the vacating trustee as provided in Section 17B-2a-1005;

3678 (ii) the county legislative bodies described in Subsection (1)(d)(i) shall collectively
3679 compile a list of three nominees to fill the vacancy; and

3680 (iii) the governor shall, with the advice and consent of the Senate, appoint an
3681 individual to fill the vacancy from nominees submitted as provided in Subsection
3682 17B-2a-1005(2)(c).

3683 (2) If, 90 days after a vacancy occurs, the special district board ~~[fails]~~ has failed to

3684 appoint an individual to complete an elected board member's term [~~within 90 days, the~~
3685 ~~legislative body of the county or municipality that created the special district shall fill~~], the
3686 vacancy shall be filled:

3687 (a) in accordance with the procedure for a special district described in Subsection
3688 (1)(b)[~~;~~]; and

3689 (b) by, as applicable:

3690 (i) the legislative body of the county or municipality that created the special district; or

3691 (ii) for a vacancy on a board of trustees of an infrastructure financing district, the
3692 legislative body of the county whose unincorporated area contains or the municipality whose
3693 boundary contains more of the area within the infrastructure financing district than is contained
3694 within the unincorporated area of any other county or within the boundary of any other
3695 municipality.

3696 Section 62. Section **52-4-207** is amended to read:

3697 **52-4-207. Electronic meetings -- Authorization -- Requirements.**

3698 (1) Except as otherwise provided for a charter school in Section **52-4-209**, a public
3699 body may convene and conduct an electronic meeting in accordance with this section.

3700 (2) (a) A public body may not hold an electronic meeting unless the public body has
3701 adopted a resolution, rule, or ordinance governing the use of electronic meetings.

3702 (b) A resolution, rule, or ordinance described in Subsection (2)(a) that governs an
3703 electronic meeting shall establish the conditions under which a remote member is included in
3704 calculating a quorum.

3705 (c) A resolution, rule, or ordinance described in Subsection (2)(a) may:

3706 (i) prohibit or limit electronic meetings based on budget, public policy, or logistical
3707 considerations;

3708 (ii) require a quorum of the public body to:

3709 (A) be present at a single anchor location for the meeting; and

3710 (B) vote to approve establishment of an electronic meeting in order to include other
3711 members of the public body through an electronic connection;

3712 (iii) require a request for an electronic meeting to be made by a member of a public
3713 body up to three days prior to the meeting to allow for arrangements to be made for the
3714 electronic meeting;

3715 (iv) restrict the number of separate connections for members of the public body that are
3716 allowed for an electronic meeting based on available equipment capability;

3717 (v) if the public body is statutorily authorized to allow a member of the public body to
3718 act by proxy, establish the conditions under which a member may vote or take other action by
3719 proxy; or

3720 (vi) establish other procedures, limitations, or conditions governing electronic meetings
3721 not in conflict with this section.

3722 (3) A public body that convenes and conducts an electronic meeting shall:

3723 (a) give public notice of the electronic meeting in accordance with Section [52-4-202](#);

3724 (b) except for an electronic meeting described in Subsection (5), post written notice of
3725 the electronic meeting at the anchor location; and

3726 (c) except as otherwise provided in a rule of the Legislature applicable to the public
3727 body, at least 24 hours before the electronic meeting is scheduled to begin, provide each
3728 member of the public body a description of how to electronically connect to the meeting.

3729 (4) (a) Except as provided in Subsection (5), a public body that convenes and conducts
3730 an electronic meeting shall provide space and facilities at an anchor location for members of
3731 the public to attend the open portions of the meeting.

3732 (b) A public body that convenes and conducts an electronic meeting may provide
3733 means by which members of the public may attend the meeting remotely by electronic means.

3734 (5) Subsection (4)(a) does not apply to an electronic meeting if:

3735 (a) (i) the chair of the public body determines that:

3736 (A) conducting the meeting as provided in Subsection (4)(a) presents a substantial risk
3737 to the health or safety of those present or who would otherwise be present at the anchor
3738 location; or

3739 (B) the location where the public body would normally meet has been ordered closed
3740 to the public for health or safety reasons; and

3741 (ii) the public notice for the meeting includes:

3742 (A) a statement describing the chair's determination under Subsection (5)(a)(i);

3743 (B) a summary of the facts upon which the chair's determination is based; and

3744 (C) information on how a member of the public may attend the meeting remotely by
3745 electronic means;

3746 (b) (i) during the course of the electronic meeting, the chair:
3747 (A) determines that continuing to conduct the electronic meeting as provided in
3748 Subsection (4)(a) presents a substantial risk to the health or safety of those present at the
3749 anchor location; and
3750 (B) announces during the electronic meeting the chair's determination under Subsection
3751 (5)(b)(i)(A) and states a summary of the facts upon which the determination is made; and
3752 (ii) in convening the electronic meeting, the public body has provided means by which
3753 members of the public who are not physically present at the anchor location may attend the
3754 electronic meeting remotely by electronic means;
3755 (c) (i) the public body is a special district board of trustees established under Title 17B,
3756 Chapter 1, Part 3, Board of Trustees;
3757 (ii) the board of trustees' membership consists of:
3758 (A) at least two members who are elected or appointed to the board as owners of land,
3759 or as an agent or officer of the owners of land, under the criteria described in Subsection
3760 [17B-1-302\(2\)\(b\)](#); or
3761 (B) at least one member who is elected or appointed to the board as an owner of land,
3762 or as an agent or officer of the owner of land, under the criteria described in Subsection
3763 [\[~~17B-1-302\(3\)\(a\)\(ii\)~~ 17B-1-302\(3\)\(b\)\(ii\)](#)];
3764 (iii) the public notice required under Subsection [52-4-202\(3\)\(a\)\(i\)\(B\)](#) for the electronic
3765 meeting includes information on how a member of the public may attend the meeting remotely
3766 by electronic means; and
3767 (iv) the board of trustees allows members of the public attending the meeting by
3768 remote electronic means to participate in the meeting; or
3769 (d) (i) the public body is a special service district administrative control board
3770 established under Title 17D, Chapter 1, Part 3, Administrative Control Board;
3771 (ii) the administrative control board's membership consists of:
3772 (A) at least one member who is elected or appointed to the board as an owner of land,
3773 or as an agent or officer of the owner of land, under the criteria described in Subsection
3774 [17D-1-304\(1\)\(a\)\(iii\)\(A\)](#) or (B), as applicable; or
3775 (B) members that qualify for election or appointment to the board because the owners
3776 of real property in the special service district meet or exceed the threshold percentage described

3777 in Subsection 17D-1-304(1)(b)(i);

3778 (iii) the public notice required under Subsection 52-4-202(3)(a)(i)(B) for the electronic
3779 meeting includes information on how a member of the public may attend the meeting remotely
3780 by electronic means; and

3781 (iv) the administrative control board allows members of the public attending the
3782 meeting by remote electronic means to participate in the meeting.

3783 (6) A determination under Subsection (5)(a)(i) expires 30 days after the day on which
3784 the chair of the public body makes the determination.

3785 (7) Compliance with the provisions of this section by a public body constitutes full and
3786 complete compliance by the public body with the corresponding provisions of Sections
3787 52-4-201 and 52-4-202.

3788 (8) Unless a public body adopts a resolution, rule, or ordinance described in Subsection
3789 (2)(c)(v), a public body that is conducting an electronic meeting may not allow a member to
3790 vote or otherwise act by proxy.

3791 (9) Except for a unanimous vote, a public body that is conducting an electronic
3792 meeting shall take all votes by roll call.

3793 Section 63. Section 67-1a-6.5 is amended to read:

3794 **67-1a-6.5. Certification of local entity boundary actions -- Definitions -- Notice**
3795 **requirements -- Electronic copies -- Filing.**

3796 (1) As used in this section:

3797 (a) "Applicable certificate" means:

3798 (i) for the impending incorporation of a city, town, special district, conservation
3799 district, or incorporation of a special district from a reorganized special service district, a
3800 certificate of incorporation;

3801 (ii) for the impending creation of a county, school district, special service district,
3802 community reinvestment agency, or interlocal entity, a certificate of creation;

3803 (iii) for the impending annexation of territory to an existing local entity, a certificate of
3804 annexation;

3805 (iv) for the impending withdrawal or disconnection of territory from an existing local
3806 entity, a certificate of withdrawal or disconnection, respectively;

3807 (v) for the impending consolidation of multiple local entities, a certificate of

3808 consolidation;

3809 (vi) for the impending division of a local entity into multiple local entities, a certificate
3810 of division;

3811 (vii) for the impending adjustment of a common boundary between local entities, a
3812 certificate of boundary adjustment; and

3813 (viii) for the impending dissolution of a local entity, a certificate of dissolution.

3814 (b) "Approved final local entity plat" means a final local entity plat, as defined in
3815 Section 17-23-20, that has been approved under Section 17-23-20 as a final local entity plat by
3816 the county surveyor.

3817 (c) "Approving authority" has the same meaning as defined in Section 17-23-20.

3818 (d) "Boundary action" has the same meaning as defined in Section 17-23-20.

3819 (e) "Center" means the Utah Geospatial Resource Center created under Section
3820 63A-16-505.

3821 (f) "Community reinvestment agency" has the same meaning as defined in Section
3822 17C-1-102.

3823 (g) "Conservation district" has the same meaning as defined in Section 17D-3-102.

3824 (h) "Interlocal entity" has the same meaning as defined in Section 11-13-103.

3825 (i) "Local entity" means a county, city, town, school district, special district,
3826 community reinvestment agency, special service district, conservation district, or interlocal
3827 entity.

3828 (j) "Notice of an impending boundary action" means a written notice, as described in
3829 Subsection (3), that provides notice of an impending boundary action.

3830 (k) "Special district" means the same as that term is defined in Section 17B-1-102.

3831 (l) "Special service district" means the same as that term is defined in Section
3832 17D-1-102.

3833 (2) Within 10 days after receiving a notice of an impending boundary action, the
3834 lieutenant governor shall:

3835 (a) (i) issue the applicable certificate, if:

3836 (A) the lieutenant governor determines that the notice of an impending boundary action
3837 meets the requirements of Subsection (3); and

3838 (B) except in the case of an impending local entity dissolution, the notice of an

3839 impending boundary action is accompanied by an approved final local entity plat;

3840 (ii) send the applicable certificate to the local entity's approving authority;

3841 (iii) return the original of the approved final local entity plat to the local entity's

3842 approving authority;

3843 (iv) send a copy of the applicable certificate and approved final local entity plat to:

3844 (A) the State Tax Commission;

3845 (B) the center; and

3846 (C) the county assessor, county surveyor, county auditor, and county attorney of each

3847 county in which the property depicted on the approved final local entity plat is located; and

3848 (v) send a copy of the applicable certificate to the state auditor, if the boundary action

3849 that is the subject of the applicable certificate is:

3850 (A) the incorporation or creation of a new local entity;

3851 (B) the consolidation of multiple local entities;

3852 (C) the division of a local entity into multiple local entities; or

3853 (D) the dissolution of a local entity; or

3854 (b) (i) send written notification to the approving authority that the lieutenant governor

3855 is unable to issue the applicable certificate, if:

3856 (A) the lieutenant governor determines that the notice of an impending boundary action

3857 does not meet the requirements of Subsection (3); or

3858 (B) the notice of an impending boundary action is:

3859 (I) not accompanied by an approved final local entity plat; or

3860 (II) accompanied by a plat or final local entity plat that has not been approved as a final

3861 local entity plat by the county surveyor under Section [17-23-20](#); and

3862 (ii) explain in the notification under Subsection (2)(b)(i) why the lieutenant governor is

3863 unable to issue the applicable certificate.

3864 (3) Each notice of an impending boundary action shall:

3865 (a) be directed to the lieutenant governor;

3866 (b) contain the name of the local entity or, in the case of an incorporation or creation,

3867 future local entity, whose boundary is affected or established by the boundary action;

3868 (c) describe the type of boundary action for which an applicable certificate is sought;

3869 (d) be accompanied by a letter from the Utah State Retirement Office, created under

3870 Section [49-11-201](#), to the approving authority that identifies the potential provisions under
3871 Title 49, Utah State Retirement and Insurance Benefit Act, that the local entity shall comply
3872 with, related to the boundary action, if the boundary action is an impending incorporation or
3873 creation of a local entity that may result in the employment of personnel; and

3874 (e) (i) contain a statement, signed and verified by the approving authority, certifying
3875 that all requirements applicable to the boundary action have been met; or

3876 (ii) in the case of the dissolution of a municipality, be accompanied by a certified copy
3877 of the court order approving the dissolution of the municipality.

3878 (4) The lieutenant governor may require the approving authority to submit a paper or
3879 electronic copy of a notice of an impending boundary action and approved final local entity plat
3880 in conjunction with the filing of the original of those documents.

3881 (5) (a) The lieutenant governor shall:

3882 (i) keep, index, maintain, and make available to the public each notice of an impending
3883 boundary action, approved final local entity plat, applicable certificate, and other document that
3884 the lieutenant governor receives or generates under this section;

3885 (ii) make a copy of each document listed in Subsection (5)(a)(i) available on the
3886 Internet for 12 months after the lieutenant governor receives or generates the document;

3887 (iii) furnish a paper copy of any of the documents listed in Subsection (5)(a)(i) to any
3888 person who requests a paper copy; and

3889 (iv) furnish a certified copy of any of the documents listed in Subsection (5)(a)(i) to
3890 any person who requests a certified copy.

3891 (b) The lieutenant governor may charge a reasonable fee for a paper copy or certified
3892 copy of a document that the lieutenant governor provides under this Subsection (5).

3893 (6) The lieutenant governor's issuance of a certificate of creation for an infrastructure
3894 financing district constitutes the state's approval of the creation of the infrastructure financing
3895 district.

3896 Section 64. **Effective date.**

3897 This bill takes effect on May 1, 2024.