

Jill Koford proposes the following substitute bill:

Public Infrastructure Districts Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jill Koford

Senate Sponsor: Daniel McCay

LONG TITLE

General Description:

This bill modifies requirements for public infrastructure districts.

Highlighted Provisions:

This bill:

- defines terms;
- modifies the process for dissolving a public infrastructure district (district);
- modifies owner consent requirements;
- modifies requirements for a district to annex property into the district;
- requires an appointed member of a district board to provide a conflict of interest disclosure;
- modifies notice requirements; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

17D-4-104, as enacted by Laws of Utah 2025, Chapter 347

17D-4-201, as last amended by Laws of Utah 2025, Chapter 347

17D-4-202, as last amended by Laws of Utah 2025, Chapter 347

17D-4-202.1, as enacted by Laws of Utah 2025, Chapter 29

17D-4-301, as last amended by Laws of Utah 2025, Chapter 347

17D-4-303, as last amended by Laws of Utah 2025, Chapter 347

ENACTS:

29 **17D-4-401**, Utah Code Annotated 1953

30

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

32 Section 1. Section **17D-4-104** is amended to read:

33 **17D-4-104 . Requirements for property owner consent.**

34 (1) ~~[Any]~~ A provision of this chapter requiring the consent or signatures of 100% of surface
 35 estate property owners within an applicable area[-] :

36 (a) does not require the consent of ~~[any]~~ a public entity, utility provider, or owners'
 37 association that is a property owner within an applicable area[-is not required] if the
 38 public entity, utility provider, or owners' association ownership interest within the
 39 applicable area is limited to:

40 ~~[(1)]~~ (i) an easement;

41 ~~[(2)]~~ (ii) a right-of-way; or

42 ~~[(3)]~~ (iii) a public improvement, utility improvement, or related improvement[-] ; and

43 (b) is satisfied if, except as provided in Subsection (1)(a), on the day on which the
 44 petition is filed, the petition contains the signatures of 100% of:

45 (i) the surface estate property owners, as shown on the records of the office of the
 46 recorder of the county in which the surface estate is located; or

47 (ii) if written authorization is provided with the petition, an authorized representative
 48 of the surface property owners described in Subsection (1)(b)(i).

49 (2) A conveyance or other change in ownership that occurs after the day on which a petition
 50 is filed does not affect the validity of the petition if the petition satisfies the requirement
 51 described in Subsection (1)(b).

52 Section 2. Section **17D-4-201** is amended to read:

53 **17D-4-201 . Creation -- Annexation or withdrawal of property.**

54 (1)(a) Except as provided in Subsection (1)(b), Subsection (2), and in addition to the
 55 provisions regarding creation of a special district in Title 17B, Chapter 1, Provisions
 56 Applicable to All Special Districts, a public infrastructure district may not be created
 57 unless a petition is filed with the creating entity that contains the signatures of 100%
 58 of surface estate property owners within the applicable area consenting to the
 59 creation of the public infrastructure district.

60 (b)(i) As used in this Subsection (1)(b):

61 (A) "Military land" means the same as that term is defined in Section 63H-1-102.

62 (B) "Project area" means the same as that term is defined in Section 63H-1-102.

- 63 (ii) Notwithstanding Title 17B, Chapter 1, Part 2, Creation of a Special District, and
64 any other provision of this chapter, a development authority may adopt a
65 resolution creating a public infrastructure district if all owners of surface estate
66 property proposed to be included within the public infrastructure district consent
67 in writing to the creation of the public infrastructure district.
- 68 (iii) For purposes of Subsection (1)(b)(ii), if the surface estate property proposed to
69 be included within the public infrastructure district includes military land that is
70 within a project area, the owner of the military land within the project area is the
71 lessee of the military land.
- 72 (iv) A public infrastructure district created under Subsection (1)(b)(ii) may be created
73 as a subsidiary of the development authority that adopts the resolution creating the
74 public infrastructure district.
- 75 (2)(a) The following do not apply to the creation of a public infrastructure district:
- 76 (i) Section 17B-1-203;
77 (ii) Section 17B-1-204;
78 (iii) Subsection 17B-1-208(2);
79 (iv) Section 17B-1-212; or
80 (v) Section 17B-1-214.
- 81 (b) The protest period described in Section 17B-1-213 may be waived in whole or in
82 part with the consent of 100% of the surface estate property owners within the
83 applicable area approving the creation of the public infrastructure district.
- 84 (c) If the protest period is waived under Subsection (2)(b), a resolution approving the
85 creation of the public infrastructure district may be adopted in accordance with
86 Subsection 17B-1-213(5).
- 87 (d) A petition meeting the requirements of Subsection (1) may be certified under Section
88 17B-1-209.
- 89 (e) Notwithstanding Subsection 17B-1-215(1)(b), the district applicant shall file the
90 items required by Subsection 17B-1-215(1)(a) with the lieutenant governor within 30
91 days of the day on which a resolution creating a public infrastructure district is
92 adopted.
- 93 (3) Notwithstanding Title 17B, Chapter 1, Part 4, Annexation, an area outside of the
94 boundaries of a public infrastructure district may be annexed into the public
95 infrastructure district if the following requirements are met:
- 96 ~~[(a)(i) adoption of resolutions of the board and the creating entity, each approving of~~

- 97 ~~the annexation; or]~~
- 98 ~~[(ii) adoption of a resolution of the board to annex the area, provided that the~~
- 99 ~~governing document or creation resolution for the public infrastructure district~~
- 100 ~~authorizes the board to annex an area outside of the boundaries of the public~~
- 101 ~~infrastructure district without future consent of the creating entity; and]~~
- 102 (a) the board adopts a resolution approving the annexation;
- 103 (b) the governing document or resolution creating the public infrastructure district
- 104 authorizes the public infrastructure district to annex the proposed annexation area;
- 105 ~~[(b)]~~ (c) a petition is filed with the public infrastructure district that contains the
- 106 signatures of 100% of surface estate property owners within the [area proposed to be
- 107 annexed] proposed annexation area, demonstrating the surface estate property owners'
- 108 consent to the annexation into the public infrastructure district[-] ; and
- 109 (d) if the creating entity is a county or municipality and the proposed annexation area is
- 110 outside the boundaries of the creating entity:
- 111 (i) for an area that is unincorporated, the legislative body of the county where the
- 112 area is located adopts a resolution approving the annexation; or
- 113 (ii) for an area that is within the boundaries of a municipality, the legislative body of
- 114 the municipality where the area is located adopts a resolution approving the
- 115 annexation.
- 116 (4)(a) Notwithstanding Title 17B, Chapter 1, Part 5, Withdrawal, property may be
- 117 withdrawn from a public infrastructure district if the following requirements are met:
- 118 (i)(A) adoption of resolutions of the board and the creating entity, each approving
- 119 of the withdrawal; or
- 120 (B) adoption of a resolution of the board to withdraw the property, ~~[provided that]~~
- 121 if the governing document or creation resolution for the public infrastructure
- 122 district authorizes the board to withdraw property from the public
- 123 infrastructure district without further consent from the creating entity; and
- 124 (ii) a petition is filed with the public infrastructure district that contains the signatures
- 125 of 100% of surface estate property owners within the area proposed to be
- 126 withdrawn, demonstrating that the surface estate property owners consent to the
- 127 withdrawal from the public infrastructure district.
- 128 (b) If any bonds that the public infrastructure district issues are allocable to the area to
- 129 be withdrawn remain unpaid at the time of the proposed withdrawal, the property
- 130 remains subject to any taxes, fees, or assessments that the public infrastructure

- 131 district imposes until the bonds or any associated refunding bonds are paid.
- 132 (c) Upon meeting the requirements of Subsection (3) or (4)(a), the board shall:
- 133 (i) within 30 days of the day on which a resolution is adopted or a petition is filed
- 134 under Subsection (3) or (4)(a), file with the lieutenant governor:
- 135 (A) a copy of a notice of impending boundary action, as defined in Section
- 136 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and
- 137 (B) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5;
- 138 and
- 139 (ii) comply with the requirements of Section 17B-1-512, except:
- 140 (A) Subsections 17B-1-512(1)(b) and (c) do not apply; and
- 141 (B) the time periods described in this section govern.
- 142 (5) A creating entity may impose limitations on the powers of a public infrastructure district
- 143 through the governing document.
- 144 (6)(a) A public infrastructure district is separate and distinct from the creating entity.
- 145 (b)(i) Except as provided in Subsection (6)(b)(ii), any financial burden, including the
- 146 cost of accounting, audit reporting, and budget preparation, of a public
- 147 infrastructure district:
- 148 (A) is borne solely by the public infrastructure district; and
- 149 (B) is not borne by the creating entity, by the state, or by any municipality,
- 150 county, or other political subdivision.
- 151 (ii) Notwithstanding Subsection (6)(b)(i) and Section 17B-1-216, the governing
- 152 document may require:
- 153 (A) the district applicant to bear the initial costs of the public infrastructure
- 154 district; and
- 155 (B) the public infrastructure district to reimburse the district applicant for the
- 156 initial costs the creating entity bears.
- 157 (iii) Nothing in this Subsection (6) precludes a public infrastructure district from
- 158 qualifying directly for an impact fee offset, credit, or refund under Title 11,
- 159 Chapter 36a, Impact Fees Act, regarding any qualifying system improvements
- 160 financed by the public infrastructure district.
- 161 (c) Any legal responsibility, liability, judgment, or claim against a public infrastructure
- 162 district:
- 163 (i) is the sole responsibility of the public infrastructure district; and
- 164 (ii) does not constitute a liability, judgment, or claim against the creating entity, the

- 165 state, or any municipality, county, or other political subdivision.
- 166 (d)(i)(A) The public infrastructure district solely bears the responsibility of any
 167 collection, enforcement, or foreclosure proceeding with regard to any fee or
 168 assessment the public infrastructure district imposes.
- 169 (B) The creating entity does not bear the responsibility described in Subsection
 170 (6)(d)(i)(A).
- 171 (ii) A public infrastructure district, and not the creating entity, shall undertake the
 172 enforcement responsibility described in, as applicable, Subsection (6)(d)(i) in
 173 accordance with Title 11, Chapter 42, Assessment Area Act.
- 174 (7) A creating entity may establish criteria in determining whether to approve or disapprove
 175 of the creation of a public infrastructure district, including:
- 176 (a) historical performance of the district applicant;
 177 (b) compliance with the creating entity's master plan;
 178 (c) credit worthiness of the district applicant;
 179 (d) plan of finance of the public infrastructure district; and
 180 (e) proposed development within the public infrastructure district.
- 181 (8)(a) The creation of a public infrastructure district is subject to the sole discretion of
 182 the creating entity responsible for approving or rejecting the creation of the public
 183 infrastructure district.
- 184 (b) The proposed creating entity bears no liability for rejecting the proposed creation of
 185 a public infrastructure district.
- 186 Section 3. Section **17D-4-202** is amended to read:
- 187 **17D-4-202 . Public infrastructure district board -- Governing document.**
- 188 (1)(a) The legislative body or board of the creating entity shall appoint the initial
 189 members of the board of a public infrastructure district, in accordance with the
 190 governing document.
- 191 (b) A governing document approved by the legislative body or board of the creating
 192 entity may provide for the board of a public infrastructure district to, upon a vacancy
 193 on the board, appoint an individual to the board [~~so long as~~] if the individual meets
 194 the requirements to serve on a public infrastructure district board described in this
 195 section.
- 196 (c) For public infrastructure districts not described in Subsection (1)(b), and except as
 197 provided in Subsection (1)(d):
- 198 (i) if there is a vacancy on the board of a public infrastructure district, or a board

- 199 member provides notice to the legislative body or board of the creating entity of
200 the board member's intention to resign from the board, the legislative body or
201 board of the creating entity shall appoint a replacement board member within 45
202 days from the day on which the vacancy first occurs or the board member
203 provides notice of the board member's intent to resign; and
- 204 (ii) if a legislative body or board of the creating entity fails to fill a vacancy on the
205 board within the time period described in Subsection (1)(c)(i), the board of the
206 public infrastructure district may appoint an individual who is eligible to serve on
207 the board according to the requirements of this section to fill the board vacancy.
- 208 (d) If a public infrastructure district board position has transitioned from appointment to
209 election, as described in Subsection (4), and an elected board position becomes
210 vacant, the provisions of Section 20A-1-512 apply to fill the vacancy.
- 211 (2)(a) Unless otherwise limited in the governing document and except as provided in
212 Subsection (2)(b), the initial term of each member of the board is four years.
- 213 (b) Notwithstanding Subsection (2)(a), approximately half of the members of the initial
214 board shall serve a six-year term so that, after the expiration of the initial term, the
215 term of approximately half the board members expires every two years.
- 216 (c) A board may elect that a majority of the board serve an initial term of six years.
- 217 (d) After the initial term, the term of each member of the board is four years.
- 218 (e) A member of the board who is appointed shall continue to serve on the board of the
219 public infrastructure district until a replacement board member is appointed.
- 220 (3)(a) Notwithstanding Subsection 17B-1-302(1)(b), a board member is not required to
221 be a resident within the boundaries of the public infrastructure district if:
- 222 (i) all of the surface estate property owners consent to the waiver of the residency
223 requirement;
- 224 (ii) there are no residents within the boundaries of the public infrastructure district;
- 225 (iii) no qualified candidate timely files to be considered for appointment to the board;
- 226 or
- 227 (iv) no qualified individual files a declaration of candidacy for a board position in
228 accordance with Subsection 17B-1-306(5).
- 229 (b) Except under the circumstances described in Subsection (3)(a)(iii) or (iv), the
230 residency requirement in Subsection 17B-1-302(1)(b) is applicable to any board
231 member elected for a division or board position that has transitioned from an
232 appointed to an elected board member in accordance with this section.

- 233 (c) An individual who is not a resident within the boundaries of the public infrastructure
234 district may not serve as a board member unless the individual is:
- 235 (i) an owner of land or an agent or officer of the owner of land within the boundaries
236 of the public infrastructure district; and
- 237 (ii) a registered voter at the individual's primary residence.
- 238 (d) If the creating entity determines that a public infrastructure district is not anticipated
239 to have permanent residents within the public infrastructure district's boundaries, or is
240 anticipated to be primarily composed of non-residential property or non-primary
241 residential property, a governing document may allow the creating entity to continue
242 to appoint a property owner, or the agent of a property owner, to the public
243 infrastructure district board.
- 244 (e) A governing document may allow for a property owner to recommend a property
245 owner or a property owner's agent for appointment to the public infrastructure district
246 board in numbers proportional to the property owner's ownership of land, or value of
247 land, within a public infrastructure district.
- 248 (4)(a) A governing document may provide for a transition from legislative body
249 appointment under Subsection (1) to a method of election by registered voters based
250 upon milestones or events that the governing document identifies, including a
251 milestone for each division or individual board position providing that when the
252 milestone is reached:
- 253 (i) for a division, the registered voters of the division elect a member of the board in
254 place of an appointed member at the next municipal general election for the board
255 position; or
- 256 (ii) for an at large board position established in the governing document, the
257 registered voters of the public infrastructure district elect a member of the board in
258 place of an appointed member at the next municipal general election for the board
259 position.
- 260 (b) Regardless of whether a board member is elected under Subsection (4)(a), the
261 position of each remaining board member shall continue to be appointed under
262 Subsection (1) until the member's respective division or board position surpasses the
263 density milestone described in the governing document.
- 264 (5)(a) Subject to Subsection (5)(c), the board may, in the board's discretion but no more
265 frequently than every four years, reestablish the boundaries of each division so that
266 each division that has reached a milestone specified in the governing document, as

- 267 described in Subsection (4)(a), has, as nearly as possible, the same number of eligible
268 voters.
- 269 (b) In reestablishing division boundaries under Subsection (5)(a), the board shall
270 consider existing or potential developments within the divisions that, when
271 completed, would increase or decrease the number of eligible voters within the
272 division.
- 273 (c) The governing document may prohibit the board from reestablishing, without the
274 consent of the creating entity, the division boundaries as described in Subsection
275 (5)(a).
- 276 (6) A public infrastructure district may not compensate a board member for the member's
277 service on the board under Section 17B-1-307 unless the board member is a resident
278 within the boundaries of the public infrastructure district.
- 279 (7) A governing document shall:
- 280 (a) include a boundary description and a map of the public infrastructure district;
- 281 (b) state the number of board members;
- 282 (c) describe any divisions of the public infrastructure district;
- 283 (d) establish any applicable property tax levy rate limit for the public infrastructure
284 district;
- 285 (e) establish any applicable limitation on the principal amount of indebtedness for the
286 public infrastructure district; [~~and~~]
- 287 (f) describe the public infrastructure and improvements, facilities, or properties that the
288 public infrastructure district is created to construct, repair, or otherwise complete, as
289 described in Section 17D-4-203;
- 290 (g) establish conflict of interest disclosure requirements for appointed board members
291 that:
- 292 (i) require an appointed board member to make, and regularly update, a conflict of
293 interest disclosure that includes the information and items described in
294 Subsections 20A-11-1604(6)(a) through (n); and
- 295 (ii) require public posting of the conflict of interest disclosure on the Utah Public
296 Notice Website and the public infrastructure district's website, if any; and
- 297 [(f)] (h) include other information that the public infrastructure district or the creating
298 entity determines to be necessary or advisable.
- 299 (8)(a) Except as provided in Subsection (8)(b), the board and the governing body of the
300 creating entity may amend a governing document by each adopting a resolution that

- 301 approves the amended governing document.
- 302 (b) Notwithstanding Subsection (8)(a), any amendment to increase a property tax levy
303 rate limitation requires the consent of 100% of surface estate property owners within
304 the boundaries of the public infrastructure district.
- 305 (9) A board member is not in violation of Section 67-16-9 if the board member:
306 (a) discloses a business relationship in accordance with Sections 67-16-7 and 67-16-8
307 and files the disclosure with the creating entity:
308 (i) before any appointment or election; and
309 (ii) upon any significant change in the business relationship; and
310 (b) conducts the affairs of the public infrastructure district in accordance with this title
311 and any parameters described in the governing document.
- 312 (10) Notwithstanding any other provision of this section, the governing document governs
313 the number, appointment, and terms of board members of a public infrastructure district
314 created by the development authority.

315 Section 4. Section **17D-4-202.1** is amended to read:

316 **17D-4-202.1 . Convention center public infrastructure -- District board --**

317 **Petition and process requirements -- Governing document.**

- 318 (1) As used [is] in this section:
319 (a) "City" means a municipality of the first class located in a county of the first class in
320 which a convention center is located.
321 (b) "County" means a county in which a convention center is located.
322 (c) "Lessee" means a lessee of property within the proposed convention center public
323 infrastructure district that leases the property from the city or county for a term of at
324 least 10 years.
325 (d)(i) "Petitioner" means:
326 (A) a surface estate property owner, a property owner, or lessee of property within
327 a proposed convention center public infrastructure district's boundaries that
328 initiates the formation of a convention center public infrastructure district; or
329 (B) a surface estate property owner under this chapter, and Title 17B, Chapter 1,
330 Provisions Applicable to All Special Districts, in relation to a convention
331 center public infrastructure district.
332 (ii) "Petitioner" does not include a city, county, or other public entity.
- 333 (2) A convention center public infrastructure district shall be created in a city upon the
334 submission of a petition in accordance with this part and shall have all the powers of a

- 335 public infrastructure district under this chapter.
- 336 (3) A convention center public infrastructure district may only be created within a city in
337 which a convention center is located.
- 338 (4) The petition described in Subsection (2) shall:
- 339 (a) include the governing document; and
- 340 (b) for a petition to a city which has previously authorized revitalization taxes described
341 in Section 63N-3-1403, include as part of the governing document approval and
342 authorization of an interlocal agreement pledging and securing the revitalization
343 taxes for debt of the proposed convention center public infrastructure district.
- 344 (5)(a) The process for creating a convention center public infrastructure district or a
345 convention center public infrastructure district in a capital city shall be initiated by
346 the submission of a petition and a governing document to the city, except that:
- 347 (i) the city recorder shall certify the petition within 14 days from the day the
348 petitioner submits the petition to the city recorder;
- 349 (ii) if the city recorder fails to certify the petition within the time described in
350 Subsection (5)(a)(i), the petition shall be considered certified; and
- 351 (iii) within 30 days from the day that the petitioner submits the petition to the city
352 recorder, or if the city and the petitioner have come to an agreement as described
353 in Subsection (5)(b), the city shall adopt a resolution to approve:
- 354 (A) the governing document the petitioner submitted with the petition; and
- 355 (B) the creation of a convention center public infrastructure district or a
356 convention center public infrastructure district in a capital city.
- 357 (b) Notwithstanding Subsection (5)(a), the city and petitioner may negotiate the finalized
358 terms of the petition, including the terms of an interlocal agreement, within a time
359 period agreed upon by the city and petitioner.
- 360 (6)(a) The boundaries of a convention center public infrastructure district shall be
361 limited to an area within a one-half-mile radius of a convention center.
- 362 (b) If a parcel is intersected by the radius described in Subsection (6)(a), the entire parcel
363 may be included in the district.
- 364 (7) A convention center public infrastructure district shall be subject to the following
365 provisions regarding taxation and financing:
- 366 (a) a convention center public infrastructure district may levy an administrative tax of up
367 to 0.0005 per dollar of taxable value on taxable property within the district; and
- 368 (b) the administrative tax shall be used exclusively for administrative expenses and may

- 369 not be used for capital costs or debt payment.
- 370 (8) A convention center public infrastructure district shall be governed by the governing
371 document submitted and approved as described in this section.
- 372 (9) The convention center public infrastructure board shall consist of five members as
373 follows:
- 374 (a) three members shall be representatives of the petitioner and selected by the petitioner;
- 375 (b) one member may be a representative of the city and selected by the mayor of the
376 city; and
- 377 (c) one member may be a representative of the county and selected by the mayor of the
378 county.
- 379 (10) If a city or county mayor chooses not to select a member of the board as described in
380 Subsection (9)(b) or (c), elects in writing to permanently abdicate the board seat, or
381 chooses to vacate a member at any time, the petitioner shall select a member for the
382 replacement who shall not be a representative of the city or county in which the
383 convention center is located.
- 384 (11)(a) A convention center public infrastructure district shall enter into an interlocal
385 agreement with the relevant county that provides that, for any revenue that is
386 transferred to the convention center public infrastructure district from a convention
387 center reinvestment zone created [~~pursuant to~~] in accordance with Title 63N, Chapter
388 3, Part 6, Housing and Transit Reinvestment Zone Act, the mayor of the county shall
389 have approval authority for the expenditure of any revenue related to a convention
390 center revitalization project, as that term is defined in Section 63N-3-602.
- 391 (b) The approval authority described in Subsection (11)(a) does not include approval
392 authority over:
- 393 (i) any bonds or debt or related terms issued by the convention center public
394 infrastructure district; or
- 395 (ii) revenue subject to a participation agreement entered into [~~pursuant to~~] in
396 accordance with Title 63N, Chapter 3, Part 14, Capital City Revitalization Zone.
397 Section 5. Section **17D-4-301** is amended to read:
- 398 **17D-4-301 . Public infrastructure district bonds.**
- 399 (1)(a) Subject to Subsection (1)(b), a public infrastructure district may issue negotiable
400 bonds or other debt instruments for the purposes described in Section 17D-4-203, as
401 provided in, as applicable:
- 402 (i) Title 11, Chapter 14, Local Government Bonding Act;

- 403 (ii) Title 11, Chapter 27, Utah Refunding Bond Act;
- 404 (iii) Title 11, Chapter 42, Assessment Area Act;
- 405 (iv) Title 11, Chapter 42a, Commercial Property Assessed Clean Energy Act; and
- 406 (v) this section.
- 407 (b) A public infrastructure district created by a bonding political subdivision, as defined
- 408 in Section 63C-25-101, may not issue bonds under this part unless the board first:
- 409 (i) adopts a parameters resolution for the bonds that sets forth:
- 410 (A) the maximum:
- 411 (I) amount of bonds;
- 412 (II) term; and
- 413 (III) interest rate; and
- 414 (B) the expected security for the bonds; and
- 415 (ii) submits the parameters resolution for review and recommendation to the State
- 416 Finance Review Commission created in Section 63C-25-201.
- 417 (2) A public infrastructure district bond shall mature within 40 years of the date of issuance.
- 418 (3)(a) A public infrastructure district may issue a limited tax bond, in the same manner
- 419 as a general obligation bond:
- 420 (i)(A) with the consent of 100% of surface estate property owners within the
- 421 boundaries of the public infrastructure district; and
- 422 (B) with the consent of a majority of the registered voters, if any, within the
- 423 boundaries of the proposed public infrastructure district as of the day on which
- 424 the board finds that the consent of a majority of registered voters has been
- 425 obtained; or
- 426 (ii) upon approval of a majority of the registered voters within the boundaries of the
- 427 public infrastructure district voting in an election held for that purpose under Title
- 428 11, Chapter 14, Local Government Bonding Act.
- 429 (b) A limited tax bond described in Subsection (3)(a):
- 430 (i) is not subject to the limitation on a general obligation bond described in
- 431 Subsection 17B-1-1102(4); and
- 432 (ii) is subject to a limitation, if any, on the principal amount of indebtedness as
- 433 described in the governing document.
- 434 (c) Unless limited tax bonds are initially purchased exclusively by one or more qualified
- 435 institutional buyers as defined in Rule 144A, 17 C.F.R. Sec. 230.144A, or an
- 436 investment grade rating is obtained for the limited tax bonds by one or more

- 437 nationally recognized rating agencies, the public infrastructure district may only issue
438 limited tax bonds in denominations of not less than \$500,000, and in integral
439 multiples above \$500,000 of not less than \$1,000 each.
- 440 (d)(i) Without any further election or consent of property owners or registered voters,
441 a public infrastructure district may convert a limited tax bond described in
442 Subsection (3)(a) to a general obligation bond if the principal amount of the
443 related limited tax bond together with the principal amount of other related
444 outstanding general obligation bonds of the public infrastructure district does not
445 exceed 15% of the fair market value of taxable property in the public
446 infrastructure district securing the general obligation bonds, determined by:
- 447 (A) an appraisal from an appraiser who is a member of the Appraisal Institute that
448 is addressed to the public infrastructure district or a financial institution; or
 - 449 (B) the most recent market value of the property from the assessor of the county in
450 which the property is located.
- 451 (ii) The consent to the issuance of a limited tax bond described in Subsection (3)(a) is
452 sufficient to meet any statutory or constitutional election requirement necessary
453 for the issuance of the limited tax bond and any general obligation bond to be
454 issued in place of the limited tax bond upon meeting the requirements of this
455 Subsection (3)(d).
- 456 (e) A public infrastructure district that levies a property tax for payment of debt service
457 on a limited tax bond issued under this section is not required to comply with the
458 notice and hearing requirements of Section 59-2-919 unless the rate exceeds the rate
459 established in:
- 460 (i) Section 17D-4-303, except as provided in Subsection (13);
 - 461 (ii) the governing document; or
 - 462 (iii) the documents relating to the issuance of the limited tax bond.
- 463 (4)(a) For a public infrastructure district seeking the consent described in Subsection
464 (3)(a)(i)(B), a public infrastructure district may:
- 465 (i) post a class A notice under Section 63G-30-102 for at least 30 days; and
 - 466 (ii) mail a request for consent to each registered voter within the boundaries of the
467 public infrastructure district according to voter registration records.
- 468 (b) The request for consent described in Subsection (4)(a)(ii) shall include:
- 469 (i) the purpose for the issuance of the bonds;
 - 470 (ii) the maximum principal amount of the bonds to be issued;

- 471 (iii) the maximum tax rate proposed to be pledged for the repayment of the bonds;
- 472 (iv) the words "For the issuance of bonds" and "Against the issuance of bonds," with
- 473 appropriate boxes in which the voter may indicate the voter's choice; and
- 474 (v) a return address and phone number where additional information may be obtained
- 475 from the public infrastructure district.
- 476 (c) Any registered voter who does not return the request for consent within 30 days of
- 477 the day they are mailed to the voter is considered:
- 478 (i) non-participatory in the request for consent; and
- 479 (ii) shall not be included in a calculation to determine the percentage of registered
- 480 voters who consent to the issuance of bonds.
- 481 (d) If a majority of the registered voters who return the request for consent under this
- 482 Subsection (4) indicate "For the issuance of bonds," or if no registered voters return
- 483 the request for consent within the time frame described in Subsection (4)(c), the
- 484 requirement described in Subsection (3)(a)(i)(B) is met.
- 485 (e) Nothing in this Subsection (4):
- 486 (i) prevents a public infrastructure district from obtaining the consent of registered
- 487 voters for the issuance of a bond through another method; or
- 488 (ii) shall be interpreted to affect or otherwise interfere with any consents of registered
- 489 voters obtained before the effective date of this bill.
- 490 (5) Nothing in this section shall be interpreted to:
- 491 (a) prevent a public infrastructure district from withdrawing property from the public
- 492 infrastructure district's boundaries where the property owners or registered voters
- 493 associated with that property do not consent to the issuance of bonds or vote against
- 494 the issuance of bonds; or
- 495 (b) require a public infrastructure district to withdraw property from the public
- 496 infrastructure district's boundaries where the property owners or registered voters
- 497 associated with that property do not consent to the issuance of bonds or vote against
- 498 the issuance of bonds.
- 499 (6)(a) Beginning on the effective date of this bill, once consent or approval is obtained
- 500 under Subsection (3)(a), the consent or approval is valid for a period of 10 years from
- 501 the day on which the board:
- 502 (i) adopts a resolution or ordinance finding that the consent or approval is obtained;
- 503 and
- 504 (ii) publishes a notice of the resolution or ordinance described in Subsection (6)(a)(i)

- 505 as a class A notice under Section 63G-30-102 for at least 30 days.
- 506 (b) The tolling provisions of Section 11-14-301 apply during the 10-year period
507 described in Subsection (6)(a).
- 508 (c) After a public infrastructure district obtains consent or approval under Subsection
509 (3)(a), the public infrastructure district does not require any additional consent to or
510 approval of the issuance of bonds, and the subsequent annexation of property to, or
511 withdrawal of property from, the public infrastructure district does not impact:
512 (i) the validity of already obtained consent or approval;
513 (ii) the 10-year period described in Subsection (6)(a); or
514 (iii) any bond issued, or to be issued, pursuant to the consent or approval that was
515 obtained under Subsection (3)(a).
- 516 (d) Subsection (6)(a) does not invalidate or alter any consent or approval, or finding of
517 consent or approval, that occurred before the effective date of this bill.
- 518 (7)(a) Except as provided in Subsection (7)(b), there is no limitation on the duration of
519 revenues that a public infrastructure district may receive to cover any shortfall in the
520 payment of principal of and interest on a bond that the public infrastructure district
521 issues.
- 522 (b) A public infrastructure governing document or bond documents may limit the
523 duration of time described in Subsection (7)(a).
- 524 (8) Section 11-42-106 governs any action to challenge an assessment imposed by a public
525 infrastructure district or any proceeding to designate an assessment area conducted by a
526 public infrastructure district.
- 527 (9) A public infrastructure district is not a municipal corporation for purposes of the debt
528 limitation of Utah Constitution, Article XIV, Section 4.
- 529 (10) Notwithstanding any other provision, the board may directly or by resolution delegate
530 to one or more officers of the public infrastructure district the authority to:
531 (a) in accordance and within the parameters set forth in a resolution adopted in
532 accordance with Section 11-14-302, approve the final interest rate, price, principal
533 amount, maturity, redemption features, and other terms of the bond;
534 (b) approve and execute any document or contract relating to the issuance of a bond; and
535 (c) approve any contract related to the acquisition and construction of the improvements,
536 facilities, or property to be financed with a bond.
- 537 (11)(a) Subject to Subsection (11)(b), before a public infrastructure district may issue a
538 limited tax bond or assessment bond, the public infrastructure district shall engage a

539 municipal advisor who, in connection with the issuance of bonds, shall deliver a
540 certificate stating that:

- 541 (i) the municipal advisor qualifies to serve as a municipal advisor, as defined in
542 Section 17D-4-102, including the basis for the municipal advisor's qualifications;
543 (ii) the structure of the limited tax bond or assessment bond the public infrastructure
544 district is about to issue is a reasonable structure, as of the date of the issuance of
545 the limited tax bond or assessment bond, as applicable; and
546 (iii) the interest rate of the limited tax bond or assessment bond the public
547 infrastructure district is about to offer is a reasonable market rate, as of the date of
548 the issuance of the limited tax bond or assessment bond, as applicable.

549 (b) The provisions of this Subsection (11) do not apply to a public infrastructure district
550 created by a development authority.

551 (12)(a) Any person may contest the legality of the issuance of a public infrastructure
552 district bond or any provisions for the security and payment of the bond for a period
553 of 30 days after:

- 554 (i) posting the resolution authorizing the bond as a class A notice under Section
555 63G-30-102; or
556 (ii) posting a notice of bond containing substantially the items required under
557 Subsection 11-14-316(2) as a class A notice under Section 63G-30-102.

558 (b) After the 30-day period described in Subsection (12)(a), no person may bring a
559 lawsuit or other proceeding contesting the regularity, formality, or legality of the
560 bond for any reason.

561 (13)(a) In the event of any statutory change in the methodology of assessment or
562 collection of property taxes in a manner that reduces the amounts which are devoted
563 or pledged to the repayment of limited tax bonds, a public infrastructure district may
564 charge a rate sufficient to receive the amount of property taxes or assessment the
565 public infrastructure district would have received before the statutory change in order
566 to pay the debt service on outstanding limited tax bonds.

567 (b) The rate increase described in Subsection (13)(a) may exceed the limit described in
568 Section 17D-4-303.

569 (c) The public infrastructure district may charge the rate increase described in
570 Subsection (13)(a) until the bonds, including any associated refunding bonds, or other
571 securities, together with applicable interest, are fully met and discharged.

572 (14) No later than 60 days after the closing of any bonds by a public infrastructure district

573 created by a bonding political subdivision, as defined in Section 63C-25-101, the public
 574 infrastructure district shall report the bond issuance, including the amount of the bonds,
 575 terms, interest rate, and security, to:

- 576 (a) the Executive Appropriations Committee; and
 577 (b) the State Finance Review Commission created in Section 63C-25-201.

578 Section 6. Section **17D-4-303** is amended to read:

579 **17D-4-303 . Limits on public infrastructure district property tax levy -- Notice**
 580 **requirements.**

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

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

587 (3)(a) Within 30 days after the day on which the lieutenant governor issues a certificate
 588 of incorporation for the public infrastructure district under Section 67-1a-6.5, the
 589 board shall record a notice with the recorder of the county in which property within
 590 the public infrastructure district is located.

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

592 (i) contain a description of the boundaries of the public infrastructure district;
 593 (ii) state that a copy of the governing document is on file at the office of the creating
 594 entity;

595 (iii) state the purpose of the public infrastructure district and the benefit the public
 596 infrastructure district provides to property included in the public infrastructure
 597 district;

598 (iv) provide a summary of the public infrastructure and improvements the public
 599 infrastructure district intends to build;

600 ~~[(iii)]~~ (v) state that the public infrastructure district may finance and repay
 601 infrastructure and other improvements through the levy of a property tax on the
 602 property described in Subsection (3)(b)(i);~~[-and]~~

603 ~~[(iv)]~~ (vi) state the maximum rate that the public infrastructure district may levy~~[-]~~ ;

604 (vii) state any applicable limitation on the principal amount of indebtedness for the
 605 public infrastructure district;

606 (viii) state that the burden of the public infrastructure district is intended to run with

607 the land and to bind successors in interest and assigns; and
 608 (ix) provide a name and contact information for a person who potential purchasers of
 609 property in the public infrastructure district may contact to receive information to
 610 determine the actual assessment against a property within the public infrastructure
 611 district.

612 (c) The notice described in Subsection (3)(a) may be recorded as a single instrument that
 613 covers more than one parcel if the notice includes, in the body of the notice or an
 614 attached exhibit, the parcel number and legal description of each parcel covered by
 615 the notice.

616 [(+)] (d) The effective date of the public infrastructure district for purposes of assessing
 617 property tax is the day on which the notice is recorded in the office of the recorder of
 618 each county in which the public infrastructure district is located, as described in
 619 Section 59-2-305.5.

620 (4) If the board fails to record a notice as described in Subsection (3):

621 (a) the public infrastructure district is still created as of the day the lieutenant governor
 622 issues a certificate of incorporation for the public infrastructure district;

623 (b) any bonds issued by the public infrastructure district are still valid; and

624 (c) the public infrastructure district may not levy a tax or levy or collect a fee until the
 625 board records the notice described in Subsection (3).

626 Section 7. Section **17D-4-401** is enacted to read:

627 **Part 4. Dissolution**

628 **17D-4-401 . District dissolution.**

629 (1) The board of trustees of a public infrastructure district, other than a public infrastructure
 630 district created by a development authority that provides ongoing services, shall adopt a
 631 resolution to dissolve the public infrastructure once:

632 (a) the public infrastructure district has paid all the public infrastructure district's debts;

633 (b) the public infrastructure district's contractual obligations are satisfied or defeased; and

634 (c) the public infrastructure and improvements, facilities, or properties described in the
 635 governing document, as required in Section 17D-4-202, have been:

636 (i) constructed, repaired, or otherwise completed; and

637 (ii) transferred to the entity responsible for the maintenance and operation of the
 638 public infrastructure and improvement, facility, or property.

639 (2) The board shall:

640 (a) adopt a resolution approving the dissolution of the public infrastructure district

- 641 within 30 days of the day on which the conditions of Subsection (1) are met; and
642 (b) file with the lieutenant governor a notice of an impending boundary action, as
643 defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3),
644 within 30 days of the day on which the board adopts a resolution described in
645 Subsection (2)(a).
- 646 (3) The board may use any assets of the public infrastructure district that remain after the
647 requirements of Subsection (1) are met to pay costs associated with the dissolution
648 process.
- 649 (4) Upon the lieutenant governor's issuance of a certificate of dissolution under Section
650 67-1a-6.5:
- 651 (a) the public infrastructure district is dissolved; and
652 (b) the board shall:
- 653 (i) if the public infrastructure district was located within the boundary of a single
654 county, submit to the recorder of that county the original and a certified copy of
655 the resolution described in Subsection (2)(a); or
656 (ii) if the public infrastructure district was located within the boundaries of more than
657 a single county:
- 658 (A) submit to the recorder of one of those counties the original certificate of
659 dissolution and a certified copy of the resolution described in Subsection
660 (2)(a); and
661 (B) submit to the recorder of each other county a certified copy of the certificate
662 of dissolution and a certified copy of the resolution described in Subsection
663 (2)(a).
- 664 (5) If any assets of the public infrastructure district remain after the conditions of
665 Subsection (1) are met and the costs described in Subsection (3) are paid, the board shall
666 distribute the assets in the following order of priority:
- 667 (a) if there is a readily identifiable connection between the remaining assets and a
668 financial burden borne by the real property owners in the dissolved public
669 infrastructure district, proportionately to those real property owners; and
670 (b) the entity described in Subsection (1)(c)(ii).

671 **Section 8. Effective Date.**

672 This bill takes effect on May 6, 2026.