

**Effective 5/5/2021**

**Chapter 4**  
**Public Infrastructure District Act**

**Part 1**  
**General Provisions**

**17D-4-101 Title.**

This chapter is known as the "Public Infrastructure District Act."

Renumbered and Amended by Chapter 314, 2021 General Session

**17D-4-102 Definitions.**

As used in this chapter:

- (1) "Board" means the board of trustees of a public infrastructure district.
- (2) "Creating entity" means the county, municipality, or development authority that approves the creation of a public infrastructure district.
- (3) "Development authority" means:
  - (a) the Utah Inland Port Authority created in Section 11-58-201;
  - (b) the Point of the Mountain State Land Authority created in Section 11-59-201; or
  - (c) the military installation development authority created in Section 63H-1-201.
- (4) "District applicant" means the person proposing the creation of a public infrastructure district.
- (5) "Division" means a division of a public infrastructure district:
  - (a) that is relatively equal in number of eligible voters or potential eligible voters to all other divisions within the public infrastructure district, taking into account existing or potential developments which, when completed, would increase or decrease the population within the public infrastructure district; and
  - (b) which a member of the board represents.
- (6) "Governing document" means the document governing a public infrastructure district to which the creating entity agrees before the creation of the public infrastructure district, as amended from time to time, and subject to the limitations of Title 17B, Chapter 1, Provisions Applicable to All Local Districts, and this chapter.
- (7)
  - (a) "Limited tax bond" means a bond:
    - (i) that is directly payable from and secured by ad valorem property taxes that are levied:
      - (A) by a public infrastructure district that issues the bond; and
      - (B) on taxable property within the district;
    - (ii) that is a general obligation of the public infrastructure district; and
    - (iii) for which the ad valorem property tax levy for repayment of the bond does not exceed the property tax levy rate limit established under Section 17D-4-303 for any fiscal year, except as provided in Subsection 17D-4-301(8).
  - (b) "Limited tax bond" does not include:
    - (i) a short-term bond;
    - (ii) a tax and revenue anticipation bond; or
    - (iii) a special assessment bond.
- (8) "Public infrastructure and improvements" means:

- (a) the same as that term is defined in Section 11-58-102, for a public infrastructure district created by the Utah Inland Port Authority created in Section 11-58-201; and
- (b) the same as that term is defined in Section 63H-1-102, for a public infrastructure district created by the military installation development authority created in Section 63H-1-201.

Amended by Chapter 82, 2022 General Session  
Amended by Chapter 237, 2022 General Session

**17D-4-103 Provisions applicable to public infrastructure districts.**

- (1) Each public infrastructure district is governed by and has the powers stated in:
  - (a) this chapter; and
  - (b) Title 17B, Chapter 1, Provisions Applicable to All Local Districts.
- (2) This chapter applies only to a public infrastructure district.
- (3) Except as modified or exempted by this chapter, a public infrastructure district is, to the same extent as if the public infrastructure district were a local district, subject to the provisions in:
  - (a) Title 17B, Chapter 1, Provisions Applicable to All Local Districts; and
  - (b) Title 20A, Election Code.
- (4) If there is a conflict between a provision in Title 17B, Chapter 1, Provisions Applicable to All Local Districts, and a provision in this chapter, the provision in this chapter supersedes the conflicting provision in Title 17B, Chapter 1, Provisions Applicable to All Local Districts.
- (5) The annexation of an unincorporated area by a municipality or the adjustment of a boundary shared by more than one municipality does not affect the boundaries of a public infrastructure district.

Renumbered and Amended by Chapter 314, 2021 General Session

**Part 2**  
**Creation, Governance, and Powers of a Public Infrastructure District**

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

- (1)
  - (a) Except as provided in Subsection (1)(b), Subsection (2), and in addition to the provisions regarding creation of a local district in Title 17B, Chapter 1, Provisions Applicable to All Local Districts, a public infrastructure district may not be created unless:
    - (i) if there are any registered voters within the applicable area, a petition is filed with the creating entity that contains the signatures of 100% of registered voters within the applicable area approving the creation of the public infrastructure district; and
    - (ii) a petition is filed with the creating entity that contains the signatures of 100% of surface property owners within the applicable area consenting to the creation of the public infrastructure district.
  - (b) Notwithstanding Title 17B, Chapter 1, Part 2, Creation of a Local District, and any other provision of this chapter, the development authority may adopt a resolution creating a public infrastructure district as a subsidiary of the development authority if all owners of surface property proposed to be included within the public infrastructure district consent in writing to the creation of the public infrastructure district.
- (2)

- (a) The following do not apply to the creation of a public infrastructure district:
    - (i) Section 17B-1-203;
    - (ii) Section 17B-1-204;
    - (iii) Subsection 17B-1-208(2);
    - (iv) Section 17B-1-212; or
    - (v) Section 17B-1-214.
  - (b) The protest period described in Section 17B-1-213 may be waived in whole or in part with the consent of:
    - (i) 100% of registered voters within the applicable area approving the creation of the public infrastructure district; and
    - (ii) 100% of the surface property owners within the applicable area approving the creation of the public infrastructure district.
  - (c) If the protest period is waived under Subsection (2)(b), a resolution approving the creation of the public infrastructure district may be adopted in accordance with Subsection 17B-1-213(5).
  - (d) A petition meeting the requirements of Subsection (1):
    - (i) may be certified under Section 17B-1-209; and
    - (ii) shall be filed with the lieutenant governor in accordance with Subsection 17B-1-215(1)(b)(iii).
- (3)
- (a) Notwithstanding Title 17B, Chapter 1, Part 4, Annexation, an area outside of the boundaries of a public infrastructure district may be annexed into the public infrastructure district if the following requirements are met:
    - (i)
      - (A) adoption of resolutions of the board and the creating entity, each approving of the annexation; or
      - (B) adoption of a resolution of the board to annex the area, provided that the governing document or creation resolution for the public infrastructure district authorizes the board to annex an area outside of the boundaries of the public infrastructure district without future consent of the creating entity;
    - (ii) if there are any registered voters within the area proposed to be annexed, a petition is filed with the creating entity that contains the signatures of 100% of registered voters within the area, demonstrating that the registered voters approve of the annexation into the public infrastructure district; and
    - (iii) a petition is filed with the creating entity that contains the signatures of 100% of surface property owners within the area proposed to be annexed, demonstrating the surface property owners' consent to the annexation into the public infrastructure district.
  - (b) Within 30 days of meeting the requirements of Subsection (3)(a), the board shall file with the lieutenant governor:
    - (i) a copy of a notice of impending boundary action, as defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and
    - (ii) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5.
- (4)
- (a) Notwithstanding Title 17B, Chapter 1, Part 5, Withdrawal, property may be withdrawn from a public infrastructure district if the following requirements are met:
    - (i)
      - (A) adoption of resolutions of the board and the creating entity, each approving of the withdrawal; or
      - (B) adoption of a resolution of the board to withdraw the property, provided that the governing document or creation resolution for the public infrastructure district authorizes the board

- to withdraw property from the public infrastructure district without further consent from the creating entity;
- (ii) if there are any registered voters within the area proposed to be withdrawn, a petition is filed with the creating entity that contains the signatures of 100% of registered voters within the area, demonstrating that the registered voters approve of the withdrawal from the public infrastructure district; and
  - (iii) a petition is filed with the creating entity that contains the signatures of 100% of surface property owners within the area proposed to be withdrawn, demonstrating that the surface property owners consent to the withdrawal from the public infrastructure district.
- (b) If any bonds that the public infrastructure district issues are allocable to the area to be withdrawn remain unpaid at the time of the proposed withdrawal, the property remains subject to any taxes, fees, or assessments that the public infrastructure district imposes until the bonds or any associated refunding bonds are paid.
- (c) Upon meeting the requirements of Subsections (4)(a) and (b), the board shall comply with the requirements of Section 17B-1-512.
- (5) A creating entity may impose limitations on the powers of a public infrastructure district through the governing document.
- (6)
- (a) A public infrastructure district is separate and distinct from the creating entity.
  - (b)
    - (i) Except as provided in Subsection (6)(b)(ii), any financial burden of a public infrastructure district:
      - (A) is borne solely by the public infrastructure district; and
      - (B) is not borne by the creating entity, by the state, or by any municipality, county, or other political subdivision.
    - (ii) Notwithstanding Subsection (6)(b)(i) and Section 17B-1-216, the governing document may require:
      - (A) the district applicant to bear the initial costs of the public infrastructure district; and
      - (B) the public infrastructure district to reimburse the district applicant for the initial costs the creating entity bears.
  - (c) Any liability, judgment, or claim against a public infrastructure district:
    - (i) is the sole responsibility of the public infrastructure district; and
    - (ii) does not constitute a liability, judgment, or claim against the creating entity, the state, or any municipality, county, or other political subdivision.
  - (d)
    - (i)
      - (A) The public infrastructure district solely bears the responsibility of any collection, enforcement, or foreclosure proceeding with regard to any tax, fee, or assessment the public infrastructure district imposes.
      - (B) The creating entity does not bear the responsibility described in Subsection (6)(d)(i)(A).
    - (ii) A public infrastructure district, and not the creating entity, shall undertake the enforcement responsibility described in, as applicable, Subsection (6)(d)(i) in accordance with Title 59, Chapter 2, Property Tax Act, or Title 11, Chapter 42, Assessment Area Act.
- (7) A creating entity may establish criteria in determining whether to approve or disapprove of the creation of a public infrastructure district, including:
- (a) historical performance of the district applicant;
  - (b) compliance with the creating entity's master plan;
  - (c) credit worthiness of the district applicant;

- (d) plan of finance of the public infrastructure district; and
  - (e) proposed development within the public infrastructure district.
- (8)
- (a) The creation of a public infrastructure district is subject to the sole discretion of the creating entity responsible for approving or rejecting the creation of the public infrastructure district.
  - (b) The proposed creating entity bears no liability for rejecting the proposed creation of a public infrastructure district.

Renumbered and Amended by Chapter 314, 2021 General Session

**17D-4-202 Public infrastructure district board -- Governing document.**

- (1) The legislative body or board of the creating entity shall appoint the members of the board of a public infrastructure district, in accordance with the governing document.
- (2)
- (a) Unless otherwise limited in the governing document and except as provided in Subsection (2)(b), the initial term of each member of the board is four years.
  - (b) Notwithstanding Subsection (2)(a), approximately half of the members of the initial board shall serve a six-year term so that, after the expiration of the initial term, the term of approximately half the board members expires every two years.
  - (c) A board may elect that a majority of the board serve an initial term of six years.
  - (d) After the initial term, the term of each member of the board is four years.
- (3)
- (a) Notwithstanding Subsection 17B-1-302(1)(b), a board member is not required to be a resident within the boundaries of the public infrastructure district if:
    - (i) all of the surface property owners consent to the waiver of the residency requirement;
    - (ii) there are no residents within the boundaries of the public infrastructure district;
    - (iii) no qualified candidate timely files to be considered for appointment to the board; or
    - (iv) no qualified individual files a declaration of candidacy for a board position in accordance with Subsection 17B-1-306(5).
  - (b) Except under the circumstances described in Subsection (3)(a)(iii) or (iv), the residency requirement in Subsection 17B-1-302(1)(b) is applicable to any board member elected for a division or board position that has transitioned from an appointed to an elected board member in accordance with this section.
  - (c) An individual who is not a resident within the boundaries of the public infrastructure district may not serve as a board member unless the individual is:
    - (i) an owner of land or an agent or officer of the owner of land within the boundaries of the public infrastructure district; and
    - (ii) a registered voter at the individual's primary residence.
- (4)
- (a) A governing document may provide for a transition from legislative body appointment under Subsection (1) to a method of election by registered voters based upon milestones or events that the governing document identifies, including a milestone for each division or individual board position providing that when the milestone is reached:
    - (i) for a division, the registered voters of the division elect a member of the board in place of an appointed member at the next municipal general election for the board position; or
    - (ii) for an at large board position established in the governing document, the registered voters of the public infrastructure district elect a member of the board in place of an appointed member at the next municipal general election for the board position.

- (b) Regardless of whether a board member is elected under Subsection (4)(a), the position of each remaining board member shall continue to be appointed under Subsection (1) until the member's respective division or board position surpasses the density milestone described in the governing document.
- (5)
  - (a) Subject to Subsection (5)(c), the board may, in the board's discretion but no more frequently than every four years, reestablish the boundaries of each division so that each division that has reached a milestone specified in the governing document, as described in Subsection (4) (a), has, as nearly as possible, the same number of eligible voters.
  - (b) In reestablishing division boundaries under Subsection (5)(a), the board shall consider existing or potential developments within the divisions that, when completed, would increase or decrease the number of eligible voters within the division.
  - (c) The governing document may prohibit the board from reestablishing, without the consent of the creating entity, the division boundaries as described in Subsection (5)(a).
- (6) A public infrastructure district may not compensate a board member for the member's service on the board under Section 17B-1-307 unless the board member is a resident within the boundaries of the public infrastructure district.
- (7) A governing document shall:
  - (a) include a boundary description and a map of the public infrastructure district;
  - (b) state the number of board members;
  - (c) describe any divisions of the public infrastructure district;
  - (d) establish any applicable property tax levy rate limit for the public infrastructure district;
  - (e) establish any applicable limitation on the principal amount of indebtedness for the public infrastructure district; and
  - (f) include other information that the public infrastructure district or the creating entity determines to be necessary or advisable.
- (8)
  - (a) Except as provided in Subsection (8)(b), the board and the governing body of the creating entity may amend a governing document by each adopting a resolution that approves the amended governing document.
  - (b) Notwithstanding Subsection (8)(a), any amendment to a property tax levy rate limitation requires the consent of:
    - (i) 100% of surface property owners within the boundaries of the public infrastructure district; and
    - (ii) 100% of the registered voters, if any, within the boundaries of the public infrastructure district.
- (9) A board member is not in violation of Section 67-16-9 if the board member:
  - (a) discloses a business relationship in accordance with Sections 67-16-7 and 67-16-8 and files the disclosure with the creating entity:
    - (i) before any appointment or election; and
    - (ii) upon any significant change in the business relationship; and
  - (b) conducts the affairs of the public infrastructure district in accordance with this title and any parameters described in the governing document.
- (10) Notwithstanding any other provision of this section, the governing document governs the number, appointment, and terms of board members of a public infrastructure district created by the development authority.

Amended by Chapter 64, 2021 General Session

Renumbered and Amended by Chapter 314, 2021 General Session  
Amended by Chapter 415, 2021 General Session

**17D-4-203 Public infrastructure district powers.**

A public infrastructure district shall have all of the authority conferred upon a local district under Section 17B-1-103, and in addition a public infrastructure district may:

- (1) issue negotiable bonds to pay:
  - (a) all or part of the costs of acquiring, acquiring an interest in, improving, or extending any of the improvements, facilities, or property allowed under Section 11-14-103;
  - (b) capital costs of improvements in an energy assessment area, as defined in Section 11-42a-102, and other related costs, against the funds that the public infrastructure district will receive because of an assessment in an energy assessment area, as defined in Section 11-42a-102;
  - (c) public improvements related to the provision of housing;
  - (d) capital costs related to public transportation; and
  - (e) for a public infrastructure district created by a development authority, the cost of acquiring or financing public infrastructure and improvements;
- (2) enter into an interlocal agreement in accordance with Title 11, Chapter 13, Interlocal Cooperation Act, provided that the interlocal agreement may not expand the powers of the public infrastructure district, within the limitations of Title 11, Chapter 13, Interlocal Cooperation Act, without the consent of the creating entity;
- (3) acquire completed or partially completed improvements for fair market value as reasonably determined by:
  - (a) the board;
  - (b) the creating entity, if required in the governing document; or
  - (c) a surveyor or engineer that a public infrastructure district employs or engages to perform the necessary engineering services for and to supervise the construction or installation of the improvements;
- (4) contract with the creating entity for the creating entity to provide administrative services on behalf of the public infrastructure district, when agreed to by both parties, in order to achieve cost savings and economic efficiencies, at the discretion of the creating entity; and
- (5) for a public infrastructure district created by a development authority:
  - (a)
    - (i) operate and maintain public infrastructure and improvements the district acquires or finances; and
    - (ii) use fees, assessments, or taxes to pay for the operation and maintenance of those public infrastructure and improvements; and
  - (b) issue bonds under Title 11, Chapter 42, Assessment Area Act.

Amended by Chapter 82, 2022 General Session

**17D-4-204 Relation to other local entities.**

- (1) Notwithstanding the creation of a public infrastructure district, the creating entity and any other public entity, as applicable, retains all of the entity's authority over all zoning, planning, design specifications and approvals, and permitting within the public infrastructure district.
- (2) The inclusion of property within the boundaries of a public infrastructure district does not preclude the inclusion of the property within any other local district.
- (3)

- (a) All infrastructure that is connected to another public entity's system:
  - (i) belongs to that public entity, regardless of inclusion within the boundaries of a public infrastructure district, unless the public infrastructure district and the public entity otherwise agree; and
  - (ii) shall comply with the design, inspection requirements, and other standards of the public entity.
- (b) A public infrastructure district shall convey or transfer the infrastructure described in Subsection (3)(a) free of liens or financial encumbrances to the public entity at no cost to the public entity.

Renumbered and Amended by Chapter 314, 2021 General Session

**17D-4-205 Transparency.**

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

Renumbered and Amended by Chapter 314, 2021 General Session

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

**17D-4-301 Public infrastructure district bonds.**

- (1)
  - (a) Subject to Subsection (1)(b), a public infrastructure district may issue negotiable bonds for the purposes described in Section 17D-4-203, as provided in, as applicable:
    - (i) Title 11, Chapter 14, Local Government Bonding Act;
    - (ii) Title 11, Chapter 27, Utah Refunding Bond Act;
    - (iii) Title 11, Chapter 42, Assessment Area Act; and
    - (iv) this section.
  - (b) A public infrastructure district created by a bonding political subdivision, as defined in Section 63C-25-101, may not issue bonds under this part unless the board first:
    - (i) adopts a parameters resolution for the bonds that sets forth:
      - (A) the maximum:
        - (I) amount of bonds;
        - (II) term; and
        - (III) interest rate; and
      - (B) the expected security for the bonds; and
    - (ii) submits the parameters resolution for review and recommendation to the State Finance Review Commission created in Section 63C-25-201.
- (2) A public infrastructure district bond:
  - (a) shall mature within 40 years of the date of issuance; and
  - (b) may not be secured by any improvement or facility paid for by the public infrastructure district.
- (3)
  - (a) A public infrastructure district may issue a limited tax bond, in the same manner as a general obligation bond:



- (i) with the consent of 100% of surface property owners within the boundaries of the public infrastructure district and 100% of the registered voters, if any, within the boundaries of the proposed public infrastructure district; or
  - (ii) upon approval of a majority of the registered voters within the boundaries of the public infrastructure district voting in an election held for that purpose under Title 11, Chapter 14, Local Government Bonding Act.
- (b) A limited tax bond described in Subsection (3)(a):
- (i) is not subject to the limitation on a general obligation bond described in Subsection 17B-1-1102(4)(a)(xii); and
  - (ii) is subject to a limitation, if any, on the principal amount of indebtedness as described in the governing document.
- (c) Unless limited tax bonds are initially purchased exclusively by one or more qualified institutional buyers as defined in Rule 144A, 17 C.F.R. Sec. 230.144A, the public infrastructure district may only issue limited tax bonds in denominations of not less than \$500,000, and in integral multiples above \$500,000 of not less than \$1,000 each.
- (d)
- (i) Without any further election or consent of property owners or registered voters, a public infrastructure district may convert a limited tax bond described in Subsection (3)(a) to a general obligation bond if the principal amount of the related limited tax bond together with the principal amount of other related outstanding general obligation bonds of the public infrastructure district does not exceed 15% of the fair market value of taxable property in the public infrastructure district securing the general obligation bonds, determined by:
    - (A) an appraisal from an appraiser who is a member of the Appraisal Institute that is addressed to the public infrastructure district or a financial institution; or
    - (B) the most recent market value of the property from the assessor of the county in which the property is located.
  - (ii) The consent to the issuance of a limited tax bond described in Subsection (3)(a) is sufficient to meet any statutory or constitutional election requirement necessary for the issuance of the limited tax bond and any general obligation bond to be issued in place of the limited tax bond upon meeting the requirements of this Subsection (3)(d).
  - (iii) A general obligation bond resulting from a conversion of a limited tax bond under this Subsection (3)(d) is not subject to the limitation on general obligation bonds described in Subsection 17B-1-1102(4)(a)(xii).
- (e) A public infrastructure district that levies a property tax for payment of debt service on a limited tax bond issued under this section is not required to comply with the notice and hearing requirements of Section 59-2-919 unless the rate exceeds the rate established in:
- (i) Section 17D-4-303, except as provided in Subsection (8);
  - (ii) the governing document; or
  - (iii) the documents relating to the issuance of the limited tax bond.
- (4) There is no limitation on the duration of revenues that a public infrastructure district may receive to cover any shortfall in the payment of principal of and interest on a bond that the public infrastructure district issues.
- (5) A public infrastructure district is not a municipal corporation for purposes of the debt limitation of Utah Constitution, Article XIV, Section 4.
- (6) The board may, by resolution, delegate to one or more officers of the public infrastructure district the authority to:

- (a) in accordance and within the parameters set forth in a resolution adopted in accordance with Section 11-14-302, approve the final interest rate, price, principal amount, maturity, redemption features, and other terms of the bond;
  - (b) approve and execute any document relating to the issuance of a bond; and
  - (c) approve any contract related to the acquisition and construction of the improvements, facilities, or property to be financed with a bond.
- (7)
- (a) Any person may contest the legality of the issuance of a public infrastructure district bond or any provisions for the security and payment of the bond for a period of 30 days after:
    - (i) publication of the resolution authorizing the bond; or
    - (ii) publication of a notice of bond containing substantially the items required under Subsection 11-14-316(2).
  - (b) After the 30-day period described in Subsection (7)(a), no person may bring a lawsuit or other proceeding contesting the regularity, formality, or legality of the bond for any reason.
- (8)
- (a) In the event of any statutory change in the methodology of assessment or collection of property taxes in a manner that reduces the amounts which are devoted or pledged to the repayment of limited tax bonds, a public infrastructure district may charge a rate sufficient to receive the amount of property taxes or assessment the public infrastructure district would have received before the statutory change in order to pay the debt service on outstanding limited tax bonds.
  - (b) The rate increase described in Subsection (8)(a) may exceed the limit described in Section 17D-4-303.
  - (c) The public infrastructure district may charge the rate increase described in Subsection (8)(a) until the bonds, including any associated refunding bonds, or other securities, together with applicable interest, are fully met and discharged.
- (9) No later than 60 days after the closing of any bonds by a public infrastructure district created by a bonding political subdivision, as defined in Section 63C-25-101, the public infrastructure district shall report the bond issuance, including the amount of the bonds, terms, interest rate, and security, to:
- (a) the Executive Appropriations Committee; and
  - (b) the State Finance Review Commission created in Section 63C-25-101.

Amended by Chapter 207, 2022 General Session

**17D-4-302 Fees.**

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

- (1) costs of acquiring, improving, or extending improvements, facilities, or property; or
- (2) costs associated with the enforcement of a legal remedy.

Renumbered and Amended by Chapter 314, 2021 General Session

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

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

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

- (3)
- (a) Within 30 days after the day on which the lieutenant governor issues a certificate of incorporation under Section 67-1a-6.5, the board shall record a notice with the recorder of the county in which property within the public infrastructure district is located.
  - (b) The notice described in Subsection (3)(a) shall:
    - (i) contain a description of the boundaries of the public infrastructure district;
    - (ii) state that a copy of the governing document is on file at the office of the creating entity;
    - (iii) state that the public infrastructure district may finance and repay infrastructure and other improvements through the levy of a property tax; and
    - (iv) state the maximum rate that the public infrastructure district may levy.

Renumbered and Amended by Chapter 314, 2021 General Session

**17D-4-304 Property tax penalty for nonpayment.**

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

Renumbered and Amended by Chapter 314, 2021 General Session

**17D-4-305 Action to contest tax, fee, or proceeding -- Requirements -- Exclusive remedy -- Bonds, taxes, and fees incontestable.**

- (1) A person who contests a tax or fee or any proceeding to create a public infrastructure district, levy a tax, or impose a fee may bring a civil action against the public infrastructure district or the creating entity to:
- (a) set aside the proceeding; or
  - (b) enjoin the levy, imposition, or collection of a tax or fee.
- (2) The person bringing an action described in Subsection (1):
- (a) shall bring the action in the district court with jurisdiction in the county in which the public infrastructure district is located; and
  - (b) may not bring the action against or serve a summons relating to the action on the public infrastructure district more than 30 days after the effective date of the:
    - (i) creation of the public infrastructure district, if the challenge is to the creation of the public infrastructure district; or
    - (ii) tax or fee, if the challenge is to a tax or fee.
- (3) An action under Subsection (1) is the exclusive remedy of a person who:
- (a) claims an error or irregularity in a tax or fee or in any proceeding to create a public infrastructure district, levy a tax, or impose a fee; or
  - (b) challenges a bondholder's right to repayment.
- (4) After the expiration of the 30-day period described in Subsection (2)(b):
- (a) a bond issued or to be issued with respect to a public infrastructure district and any tax levied or fee imposed becomes incontestable against any person who has not brought an action and served a summons in accordance with this section;
  - (b) a person may not bring a suit to:

- (i) enjoin the issuance or payment of a bond or the levy, imposition, collection, or enforcement of a tax or fee; or
  - (ii) attack or question in any way the legality of a bond, tax, or fee; and
  - (c) a court may not inquire into the matters described in Subsection (4)(b).
- (5)
- (a) This section does not insulate a public infrastructure district from a claim of misuse of funds after the expiration of the 30-day period described in Subsection (2)(b).
  - (b)
    - (i) Except as provided in Subsection (5)(b)(ii), an action in the nature of mandamus is the sole form of relief available to a party challenging the misuse of funds.
    - (ii) The limitation in Subsection (5)(b)(i) does not prohibit the filing of criminal charges against or the prosecution of a party for the misuse of funds.

Renumbered and Amended by Chapter 314, 2021 General Session