

**POLITICAL SUBDIVISIONS AMENDMENTS**

2021 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jerry W. Stevenson**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies and enacts provisions relating to political subdivisions.

**Highlighted Provisions:**

This bill:

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



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

**38 Money Appropriated in this Bill:**

39           None

**40 Other Special Clauses:**

41           None

**42 Utah Code Sections Affected:**

43 AMENDS:

- 44           **11-42-102**, as last amended by Laws of Utah 2020, Chapter 282
- 45           **11-42-106**, as last amended by Laws of Utah 2020, Chapter 282
- 46           **11-42-411**, as last amended by Laws of Utah 2020, Chapter 282
- 47           **11-58-102**, as last amended by Laws of Utah 2020, Chapter 126
- 48           **11-58-205**, as last amended by Laws of Utah 2020, Chapter 126
- 49           **11-58-304**, as last amended by Laws of Utah 2018, Second Special Session, Chapter 1
- 50           **11-59-102**, as enacted by Laws of Utah 2018, Chapter 388
- 51           **11-59-204**, as enacted by Laws of Utah 2018, Chapter 388
- 52           **11-59-306**, as enacted by Laws of Utah 2018, Chapter 388
- 53           **17B-1-306**, as last amended by Laws of Utah 2020, Chapter 31
- 54           **17B-1-1102**, as last amended by Laws of Utah 2019, Chapter 490
- 55           **17B-2a-1202**, as last amended by Laws of Utah 2020, Chapters 282 and 397
- 56           **17B-2a-1206**, as last amended by Laws of Utah 2020, Chapter 282
- 57           **63H-1-102**, as last amended by Laws of Utah 2020, Chapter 282

58 ENACTS:

- 59            **11-58-106**, Utah Code Annotated 1953
- 60            **11-59-104**, Utah Code Annotated 1953
- 61            **63A-3-401.5**, Utah Code Annotated 1953
- 62            **63A-3-402**, Utah Code Annotated 1953
- 63            **63A-3-403**, Utah Code Annotated 1953
- 64            **63A-3-404**, Utah Code Annotated 1953
- 65            **63H-1-104**, Utah Code Annotated 1953



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

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

69            **11-42-102. Definitions.**

70            (1) As used in this chapter:

71            (a) "Adequate protests" means, for all proposed assessment areas except sewer  
 72 assessment areas, timely filed, written protests under Section **11-42-203** that represent at least  
 73 40% of the frontage, area, taxable value, fair market value, lots, number of connections, or  
 74 equivalent residential units of the property proposed to be assessed, according to the same  
 75 assessment method by which the assessment is proposed to be levied, after eliminating:

76            (i) protests relating to:

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

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

80            (ii) protests that have been withdrawn under Subsection **11-42-203(3)**.

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

87            (2) "Assessment area" means an area, or, if more than one area is designated, the  
 88 aggregate of all areas within a local entity's jurisdictional boundaries that is designated by a  
 89 local entity under Part 2, Designating an Assessment Area, for the purpose of financing the

90 costs of improvements, operation and maintenance, or economic promotion activities that  
91 benefit property within the area.

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

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

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

96 (4) "Assessment fund" means a special fund that a local entity establishes under  
97 Section 11-42-412.

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

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

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

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

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

108 (8) "Assessment resolution" means a resolution adopted by a local entity under Section  
109 11-42-404 that levies an assessment on benefitted property within an assessment area.

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

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

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

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

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

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

- 152 (b) promoting business investment or activities;
- 153 (c) helping to coordinate public and private actions; and
- 154 (d) developing and issuing publications designed to improve the economic well-being
- 155 of the commercial area.

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

160 ~~[(20)]~~ (21) "Equivalent residential unit" means a dwelling, unit, or development that is  
161 equal to a single-family residence in terms of the nature of its use or impact on an improvement  
162 to be provided in the assessment area.

163 ~~[(21)]~~ (22) "Governing body" means:

- 164 (a) for a county, city, or town, the legislative body of the county, city, or town;
- 165 (b) for a local district, the board of trustees of the local district;
- 166 (c) for a special service district:
  - 167 (i) the legislative body of the county, city, or town that established the special service
  - 168 district, if no administrative control board has been appointed under Section 17D-1-301; or
  - 169 (ii) the administrative control board of the special service district, if an administrative
  - 170 control board has been appointed under Section 17D-1-301;
- 171 (d) for the military installation development authority created in Section 63H-1-201,  
172 the board, as defined in Section 63H-1-102; and
- 173 (e) for the Utah Inland Port Authority, created in Section 11-58-201, the board, as  
174 defined in Section 11-58-102.

175 ~~[(22)]~~ (23) "Guaranty fund" means the fund established by a local entity under Section  
176 11-42-701.

177 ~~[(23)]~~ (24) "Improved property" means property upon which a residential, commercial,  
178 or other building has been built.

179 ~~[(24)]~~ (25) "Improvement":

- 180 (a) (i) means a publicly owned infrastructure, facility, system, or environmental  
181 remediation activity that:
  - 182 (A) a local entity is authorized to provide;

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

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

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

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

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

193 (b) for a local district created to assess groundwater rights in accordance with Section  
194 17B-1-202, means a system or plan to regulate groundwater withdrawals within a specific  
195 groundwater basin in accordance with Sections 17B-1-202 and 73-5-15.

196 ~~[(25)]~~ (26) "Improvement revenues":

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

199 (b) does not include revenue from assessments.

200 ~~[(26)]~~ (27) "Incidental refunding costs" means any costs of issuing refunding  
201 assessment bonds and calling, retiring, or paying prior bonds, including:

202 (a) legal and accounting fees;

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

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

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

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

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

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

213 ~~[(27)]~~ (28) "Installment payment date" means the date on which an installment

214 payment of an assessment is payable.

215 ~~[(28)]~~ (29) "Interim warrant" means a warrant issued by a local entity under Section  
216 11-42-601.

217 ~~[(29)]~~ (30) "Jurisdictional boundaries" means:

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

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

220 ~~[(30)]~~ (31) "Local district" means a local district under Title 17B, Limited Purpose  
221 Local Government Entities - Local Districts.

222 ~~[(31)]~~ (32) "Local entity" means:

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

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

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

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

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

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

230 ~~[(32)]~~ (33) "Local entity obligations" means assessment bonds, refunding assessment  
231 bonds, interim warrants, and bond anticipation notes issued by a local entity.

232 ~~[(33)]~~ (34) "Mailing address" means:

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

235 (b) if the property is improved property:

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

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

239 ~~[(34)]~~ (35) "Net improvement revenues" means all improvement revenues that a local  
240 entity has received since the last installment payment date, less all amounts payable by the local  
241 entity from those improvement revenues for operation and maintenance costs.

242 ~~[(35)]~~ (36) "Operation and maintenance costs":

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

244 improvements in an assessment area, whether or not those improvements have been financed



245 under this chapter; and

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

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

253 [~~(37)~~] (38) "Prior assessment ordinance" means the ordinance levying the assessments  
254 from which the prior bonds are payable.

255 [~~(38)~~] (39) "Prior assessment resolution" means the resolution levying the assessments  
256 from which the prior bonds are payable.

257 [~~(39)~~] (40) "Prior bonds" means the assessment bonds that are refunded in part or in  
258 whole by refunding assessment bonds.

259 [~~(40)~~] (41) "Project engineer" means the surveyor or engineer employed by or the  
260 private consulting engineer engaged by a local entity to perform the necessary engineering  
261 services for and to supervise the construction or installation of the improvements.

262 [~~(41)~~] (42) "Property" includes real property and any interest in real property, including  
263 water rights and leasehold rights.

264 [~~(42)~~] (43) "Property price" means the price at which a local entity purchases or  
265 acquires by eminent domain property to make improvements in an assessment area.

266 [~~(43)~~] (44) "Provide" or "providing," with reference to an improvement, includes the  
267 acquisition, construction, reconstruction, renovation, maintenance, repair, operation, and  
268 expansion of an improvement.

269 [~~(44)~~] (45) "Public agency" means:

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

271 (b) a political subdivision of the state.

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

276            [~~(46)~~] (47) "Refunding assessment bonds" means assessment bonds that a local entity  
277 issues under Section 11-42-607 to refund, in part or in whole, assessment bonds.

278            [~~(47)~~] (48) "Reserve fund" means a fund established by a local entity under Section  
279 11-42-702.

280            [~~(48)~~] (49) "Service" means:

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

283            (b) economic promotion activities; or

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

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

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

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

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

296            (iii) for which the property owner opts out of the proposed assessment area for the  
297 earlier of a period of 10 calendar years or until failure of the system described in Subsection  
298 [~~(49)~~] (50)(b)(i).

299            [~~(50)~~] (51) "Special service district" means the same as that term is defined in Section  
300 17D-1-102.

301            [~~(51)~~] (52) "Unassessed benefitted government property" means property that a local  
302 entity may not assess in accordance with Section 11-42-408 but is benefitted by an  
303 improvement, operation and maintenance, or economic promotion activities.

304            [~~(52)~~] (53) "Unimproved property" means property upon which no residential,  
305 commercial, or other building has been built.

306            [~~(53)~~] (54) "Voluntary assessment area" means an assessment area that contains only

307 property whose owners have voluntarily consented to an assessment.

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

309 **11-42-106. Action to contest assessment or proceeding -- Requirements --**  
310 **Exclusive remedy -- Bonds and assessment incontestable.**

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

- 313 (a) set aside a proceeding to designate an assessment area; or
- 314 (b) enjoin the levy or collection of an assessment.

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

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

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

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

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

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

327 (A) adopted by [~~the military installation~~] a development authority[~~, created in Section~~  
328 [63H-1-201](#)]; or a public infrastructure district created by [~~the military installation~~] a  
329 development authority under Title 17B, Chapter 2a, Part 12, Public Infrastructure District Act;  
330 and

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

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

- 334 (i) claims an error or irregularity in an assessment or in any proceeding to designate an  
335 assessment area or levy an assessment; or
- 336 (ii) challenges a bondholder's right to repayment.

337 (b) A court may not hear any complaint under Subsection (1) that a person was

338 authorized to make but did not make in a protest under Section 11-42-203 or at a hearing under  
339 Section 11-42-204.

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

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

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

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

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

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

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

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

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

367 Section 3. Section 11-42-411 is amended to read:

368 **11-42-411. Installment payment of assessments.**

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

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

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

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

377 or

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

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

383 (i) shall make a determination that:

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

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

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

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

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

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

396 (3) (a) Each assessment resolution or ordinance that provides for the assessment to be  
397 paid in installments shall, subject to Subsections (3)(b) and (c), provide that the unpaid balance  
398 of the assessment bear interest at a fixed rate, variable rate, or a combination of fixed and  
399 variable rates, as determined by the governing body, from the effective date of the resolution or

400 ordinance or another date specified in the resolution or ordinance.

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

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

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

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

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

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

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

412 (4) Interest payable on assessments may include:

413 (a) interest on assessment bonds;

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

415 (c) any costs incurred with respect to:

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

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

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

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

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

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

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

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

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

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

436 Section 4. Section **11-58-102** is amended to read:

437 **11-58-102. Definitions.**

438 As used in this chapter:

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

440 (2) "Authority jurisdictional land" means land within the authority boundary  
441 delineated:

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

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

445 (3) "Base taxable value" means:

446 (a) (i) except as provided in Subsection (3)(a)(ii), for a project area that consists of the  
447 authority jurisdictional land, the taxable value of authority jurisdictional land in calendar year  
448 2018; and

449 (ii) for an area described in Subsection [11-58-601](#)(5), the taxable value of that area in  
450 calendar year 2017; or

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

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

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

460 (6) "Development" means:

461 (a) the demolition, construction, reconstruction, modification, expansion, or

462 improvement of a building, utility, infrastructure, landscape, parking lot, park, trail,  
463 recreational amenity, or other facility, including publicly owned infrastructure and  
464 improvements; and

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

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

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

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

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

472 (ii) together are intended to:

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

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

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

479 (D) provide international logistics and distribution services, including freight  
480 forwarding, customs brokerage, integrated logistics, and information systems; and

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

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

485 (a) for an inland port;

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

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

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

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



493 (11) "Nonvoting member" means an individual appointed as a member of the board  
494 under Subsection 11-58-302(6) who does not have the power to vote on matters of authority  
495 business.

496 (12) "Project area" means:

497 (a) the authority jurisdictional land; or

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

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

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

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

508 (16) "Property tax differential":

509 (a) means the difference between:

510 (i) the amount of property tax revenues generated each tax year by all taxing entities  
511 from a project area, using the current assessed value of the property; and

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

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

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

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

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

521 (17) "Public entity" means:

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

523 (b) a county, city, town, metro township, school district, local district, special service

524 district, interlocal cooperation entity, community reinvestment agency, or other political  
525 subdivision of the state, including the authority.

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

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

528 (i) benefit the public; and

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

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

531 (b) includes:

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

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

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

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

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

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

542 (21) "Taxing entity":

543 (a) means a public entity that levies a tax on property within a project area[-]; and

544 (b) does not include a public infrastructure district that the authority creates under Title  
545 17B, Chapter 2a, Part 12, Public Infrastructure District Act.

546 (22) "Voting member" means an individual appointed or designated as a member of the  
547 board under Subsection [11-58-302\(2\)](#).

548 Section 5. Section **11-58-106** is enacted to read:

549 **11-58-106. Loan approval committee -- Approval of infrastructure loans.**

550 (1) As used in this section:

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

552 (b) "Infrastructure loan" means the same as that term is defined in Section  
553 [63A-3-401.5](#).

554 (c) "Infrastructure project" means the same as that term is defined in Section

555 [63A-3-401.5.](#)

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

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

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

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

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

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

562 Fund Board.

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

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

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

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

572 Section 6. Section **11-58-205** is amended to read:

573 **11-58-205. Applicability of other law -- Cooperation of state and local**  
574 **governments -- Municipality to consider board input -- Prohibition relating to natural**  
575 **resources -- Inland port as permitted or conditional use -- Municipal services --**  
576 **Disclosure by nonauthority governing body member.**

577 (1) Except as otherwise provided in this chapter, the authority does not have and may  
578 not exercise any powers relating to the regulation of land uses on the authority jurisdictional  
579 land.

580 (2) The authority is subject to and governed by Sections [63E-2-106](#), [63E-2-107](#),  
581 [63E-2-108](#), [63E-2-109](#), [63E-2-110](#), and [63E-2-111](#), but is not otherwise subject to or governed  
582 by Title 63E, Independent Entities Code.

583 (3) A department, division, or other agency of the state and a political subdivision of  
584 the state shall cooperate with the authority to the fullest extent possible to provide whatever  
585 support, information, or other assistance the board requests that is reasonably necessary to help

586 the authority fulfill its duties and responsibilities under this chapter.

587 (4) In making decisions affecting the authority jurisdictional land, the legislative body  
588 of a municipality in which the authority jurisdictional land is located shall consider input from  
589 the authority board.

590 (5) (a) No later than December 31, 2018, the ordinances of a municipality with  
591 authority jurisdictional land within its boundary shall allow an inland port as a permitted or  
592 conditional use, subject to standards that are:

- 593 (i) determined by the municipality; and
- 594 (ii) consistent with the policies and objectives stated in Subsection 11-58-203(1).

595 (b) A municipality whose ordinances do not comply with Subsection (5)(a) within the  
596 time prescribed in that subsection shall allow an inland port as a permitted use without regard  
597 to any contrary provision in the municipality's land use ordinances.

598 (6) The transporting, unloading, loading, transfer, or temporary storage of natural  
599 resources may not be prohibited on the authority jurisdictional land.

600 (7) (a) A municipality whose boundary includes authority jurisdictional land shall  
601 provide the same municipal services to the area of the municipality that is within the authority  
602 jurisdictional land as the municipality provides to other areas of the municipality with similar  
603 zoning and a similar development level.

604 (b) The level and quality of municipal services that a municipality provides within  
605 authority jurisdictional land shall be fairly and reasonably consistent with the level and quality  
606 of municipal services that the municipality provides to other areas of the municipality with  
607 similar zoning and a similar development level.

608 (8) (a) As used in this Subsection (8):

609 (i) "Direct financial benefit" means the same as that term is defined in Section  
610 11-58-304.

611 (ii) "Nonauthority governing body member" means a member of the board or other  
612 body that has authority to make decisions for a nonauthority government owner.

613 (iii) "Nonauthority government owner" mean a state agency or nonauthority local  
614 government entity that owns land that is part of the authority jurisdictional land.

615 (iv) "Nonauthority local government entity":

616 (A) means a county, city, town, metro township, local district, special service district,

617 community reinvestment agency, or other political subdivision of the state; and

618 (B) excludes the authority.

619 (v) "State agency" means a department, division, or other agency or instrumentality of  
620 the state, including an independent state agency.

621 (b) A nonauthority governing body member who owns or has a financial interest in  
622 land that is part of the authority jurisdictional land or who reasonably expects to receive a  
623 direct financial benefit from development of authority jurisdictional land shall submit a written  
624 disclosure to the authority board and the nonauthority government owner.

625 (c) A written disclosure under Subsection (8)(b) shall describe, as applicable:

626 (i) the nonauthority governing body member's ownership or financial interest in  
627 property that is part of the authority jurisdictional land; and

628 (ii) the direct financial benefit the nonauthority governing body member expects to  
629 receive from development of authority jurisdictional land.

630 (d) A nonauthority governing body member required under Subsection (8)(b) to submit  
631 a written disclosure shall submit the disclosure no later than 30 days after:

632 (i) the nonauthority governing body member:

633 (A) acquires an ownership or financial interest in property that is part of the authority  
634 jurisdictional land; or

635 (B) first knows that the nonauthority governing body member expects to receive a  
636 direct financial benefit from the development of authority jurisdictional land; or

637 (ii) the effective date of this Subsection (8), if that date is later than the period  
638 described in Subsection (8)(d)(i).

639 (e) A written disclosure submitted under this Subsection (8) is a public record.

640 (9) The authority is subject to Title 52, Chapter 4, Open and Public Meetings Act,  
641 except that for an electronic meeting of the authority board that otherwise complies with  
642 Section 52-4-207, the authority board:

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

644 (b) may convene and conduct the meeting without the written determination otherwise  
645 required under Subsection 52-4-207(4).

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

647 **11-58-304. Limitations on board members and executive director.**

- 648 (1) As used in this section:
- 649 (a) "Direct financial benefit":
- 650 (i) means any form of financial benefit that accrues to an individual directly, including:
- 651 (A) compensation, commission, or any other form of a payment or increase of money;
- 652 and
- 653 (B) an increase in the value of a business or property; and
- 654 (ii) does not include a financial benefit that accrues to the public generally.
- 655 (b) "Family member" means a parent, spouse, sibling, child, or grandchild.
- 656 (2) An individual may not serve as a voting member of the board or as executive
- 657 director if:
- 658 (a) the individual owns real property, other than a personal residence in which the
- 659 individual resides, [~~on or within five miles of the authority jurisdictional land~~] within a project
- 660 area, whether or not the ownership interest is a recorded interest;
- 661 (b) a family member of the individual owns an interest in real property, other than a
- 662 personal residence in which the family member resides, located [~~on or within one-half mile of~~
- 663 ~~the authority jurisdictional land~~] within a project area; or
- 664 (c) the individual or a family member of the individual owns an interest in, is directly
- 665 affiliated with, or is an employee or officer of a private firm, private company, or other private
- 666 entity that the individual reasonably believes is likely to:
- 667 (i) participate in or receive a direct financial benefit from the development of the
- 668 authority jurisdictional land; or
- 669 (ii) acquire an interest in or locate a facility [~~on the authority jurisdictional land~~] within
- 670 a project area.
- 671 (3) Before taking office as a voting member of the board or accepting employment as
- 672 executive director, an individual shall submit to the authority:
- 673 (a) a statement verifying that the individual's service as a board member or
- 674 employment as executive director does not violate Subsection (2); or
- 675 (b) for an individual to whom Subsection 11-58-302(8) applies, the disclosure required
- 676 under that subsection.
- 677 (4) (a) An individual may not, at any time during the individual's service as a voting
- 678 member or employment with the authority, acquire, or take any action to initiate, negotiate, or

679 otherwise arrange for the acquisition of, an interest in real property located [~~on or within five~~  
680 ~~miles of the authority jurisdictional land~~] within a project area, if:

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

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

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

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

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

692 (i) expense reimbursements;

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

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

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

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

699 **11-59-102. Definitions.**

700 As used in this chapter:

701 (1) "Authority" means the Point of the Mountain State Land Authority, created in  
702 Section [11-59-201](#).

703 (2) "Board" means the authority's board, created in Section [11-59-301](#).

704 (3) "Development":

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

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

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

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

713 (b) includes all activities associated with:

714 (i) marketing and business recruiting activities and efforts;

715 (ii) leasing, or selling or otherwise disposing of, all or any part of the point of the  
716 mountain state land; and

717 (iii) planning and funding for mass transit infrastructure to service the point of the  
718 mountain state land.

719 (4) "New correctional facility" means the state correctional facility being developed in  
720 Salt Lake City to replace the state correctional facility in Draper.

721 (5) "Point of the mountain state land" means the approximately 700 acres of  
722 state-owned land in Draper, including land used for the operation of a state correctional facility  
723 until completion of the new correctional facility and state-owned land in the vicinity of the  
724 current state correctional facility.

725 (6) "Public entity" means:

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

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

730 Section 9. Section **11-59-104** is enacted to read:

731 **11-59-104. Loan approval committee -- Approval of infrastructure loans.**

732 (1) As used in this section:

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

734 (b) "Infrastructure loan" means the same as that term is defined in Section  
735 [63A-3-401.5](#).

736 (c) "Infrastructure project" means the same as that term is defined in Section  
737 [63A-3-401.5](#).

738 (d) "Point of the mountain fund" means the same as that term is defined in Section  
739 [63A-3-401.5](#).

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



- 741 (i) the board member:  
742 (A) who is a member of the Senate appointed under Subsection [11-59-302\(2\)\(a\)](#); and  
743 (B) whose Senate district is closer to the boundary of the point of the mountain state  
744 land than is the Senate district of the other member of the Senate appointed under Subsection  
745 [11-59-302\(2\)\(a\)](#);
- 746 (ii) the board member:  
747 (A) who is a member of the House of Representatives appointed under Subsection  
748 [11-59-302\(2\)\(b\)](#); and  
749 (B) whose House district is closer to the boundary of the point of the mountain state  
750 land than is the House district of the other member of the House of Representatives appointed  
751 under Subsection [11-59-302\(2\)\(b\)](#);
- 752 (iii) the board member who is appointed by the governor under Subsection  
753 [11-59-302\(2\)\(c\)\(i\)](#);
- 754 (iv) the board member who is appointed by the governor under Subsection  
755 [11-59-302\(2\)\(c\)\(ii\)](#); and
- 756 (v) the board member who is the mayor of Draper or member of the Draper city  
757 council.
- 758 (2) The loan approval committee may approve an infrastructure loan from the point of  
759 the mountain fund to a borrower for an infrastructure project undertaken by the borrower.
- 760 (3) The loan approval committee shall establish the terms of an infrastructure loan in  
761 accordance with Section [63A-3-404](#).
- 762 (4) The loan approval committee may establish policies and guidelines with respect to  
763 prioritizing requests for infrastructure loans and approving infrastructure loans.
- 764 (5) Within 60 days after the execution of an infrastructure loan, the loan approval  
765 committee shall report the infrastructure loan, including the loan amount, terms, and security,  
766 to the Executive Appropriations Committee.
- 767 Section 10. Section **11-59-204** is amended to read:
- 768 **11-59-204. Applicability of other law -- Coordination with municipality.**
- 769 (1) The authority and the point of the mountain state land are not subject to:
- 770 (a) Title 10, Chapter 9a, Municipal Land Use, Development, and Management Act; or
- 771 (b) the jurisdiction of a local district under Title 17B, Limited Purpose Local

772 Government Entities - Local Districts, or a special service district under Title 17D, Chapter 1,  
773 Special Service District Act, except to the extent that:

774 (i) some or all of the point of the mountain state land is, on May 8, 2018, included  
775 within the boundary of a local district or special service district; and

776 (ii) the authority elects to receive service from the local district or special service  
777 district for the point of the mountain state land that is included within the boundary of the local  
778 district or special service district, respectively.

779 (2) In formulating and implementing a development plan for the point of the mountain  
780 state land, the authority shall consult with officials of the municipality within which the point  
781 of the mountain state land is located on planning and zoning matters.

782 (3) The authority is subject to and governed by Sections [63E-2-106](#), [63E-2-107](#),  
783 [63E-2-108](#), [63E-2-109](#), [63E-2-110](#), and [63E-2-111](#), but is not otherwise subject to or governed  
784 by Title 63E, Independent Entities Code.

785 (4) Nothing in this chapter may be construed to remove the point of the mountain state  
786 land from the service area of the municipality in which the point of the mountain state land is  
787 located, for purposes of water, sewer, and other similar municipal services currently being  
788 provided.

789 (5) The authority is subject to title 52, Chapter 4, Open and Public Meetings Act,  
790 except that for an electronic meeting of the authority board that otherwise complies with  
791 Section [52-4-207](#), the authority board:

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

793 (b) may convene and conduct the meeting without the written determination otherwise  
794 required under Subsection [52-4-207](#)(4).

795 Section 11. Section **11-59-306** is amended to read:

796 **11-59-306. Limitations on board members.**

797 (1) As used in this section:

798 (a) "Direct financial benefit":

799 (i) means any form of financial benefit that accrues to an individual directly as a result  
800 of the development of the point of the mountain state land, including:

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

802 and

- 803 (B) an increase in the value of a business or property; and  
804 (ii) does not include a financial benefit that accrues to the public generally as a result of  
805 the development of the point of the mountain state land.
- 806 (b) "Family member" means a parent, spouse, sibling, child, or grandchild.
- 807 (c) "Interest in real property" means every type of real property interest, whether  
808 recorded or unrecorded, including:
- 809 (i) a legal or equitable interest;  
810 (ii) an option on real property;  
811 (iii) an interest under a contract;  
812 (iv) fee simple ownership;  
813 (v) ownership as a tenant in common or in joint tenancy or another joint ownership  
814 arrangement;
- 815 (vi) ownership through a partnership, limited liability company, or corporation that  
816 holds title to a real property interest in the name of the partnership, limited liability company,  
817 or corporation;
- 818 (vii) leasehold interest; and  
819 (viii) any other real property interest that is capable of being owned.
- 820 (2) An individual may not serve as a member of the board if:
- 821 (a) the individual owns an interest in real property, other than a personal residence in  
822 which the individual resides, [~~within five miles of~~] that is part of the point of the mountain  
823 state land;
- 824 (b) a family member of the individual owns an interest in real property, other than a  
825 personal residence in which the family member resides, [~~located within one-half mile of~~] that is  
826 part of the point of the mountain state land; or
- 827 (c) the individual or a family member of the individual owns an interest in, is directly  
828 affiliated with, or is an employee or officer of a firm, company, or other entity that the  
829 individual reasonably believes is likely to participate in or receive compensation or other direct  
830 financial benefit from the development of the point of the mountain state land.
- 831 (3) Before taking office as a board member, an individual shall submit to the authority  
832 a statement verifying that the individual's service as a board member does not violate  
833 Subsection (2).

834 (4) A board member may not, at any time during the board member's service on the  
835 board, take any action to initiate, negotiate, or otherwise arrange for the acquisition of an  
836 interest in real property [~~located within five miles of~~] that is part of the point of the mountain  
837 state land.

838 (5) (a) The board may not allow a firm, company, or other entity to participate in  
839 planning, managing, or implementing the development of the point of the mountain state land  
840 if a board member or a family member of a board member owns an interest in, is directly  
841 affiliated with, or is an employee or officer of the firm, company, or other entity.

842 (b) Before allowing a firm, company, or other entity to participate in planning,  
843 managing, or implementing the development of the point of the mountain state land, the board  
844 may require the firm, company, or other entity to certify that no board member or family  
845 member of a board member owns an interest in, is directly affiliated with, or is an employee or  
846 officer of the firm, company, or other entity.

847 Section 12. Section **17B-1-306** is amended to read:

848 **17B-1-306. Local district board -- Election procedures.**

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

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

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

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

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

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

864 (ii) Each polling place designated by an irrigation district board under Subsection

865 (2)(c)(i) shall coincide with a polling place designated by the county clerk under Subsection  
866 (2)(a)(ii).

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

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

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

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

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

874 (a) by posting the notice on the Utah Public Notice Website created in Section

875 [63F-1-701](#), for 10 days before the first day for filing a declaration of candidacy; and

876 (b) (i) by posting the notice in at least five public places within the local district at least  
877 10 days before the first day for filing a declaration of candidacy; or

878 (ii) publishing the notice:

879 (A) in a newspaper of general circulation within the local district at least three but no  
880 more than 10 days before the first day for filing a declaration of candidacy;

881 (B) in accordance with Section [45-1-101](#), for 10 days before the first day for filing a  
882 declaration of candidacy; and

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

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

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

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

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

895 (ii) the designated agent appears in person before the official designated by the local

896 district; and

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

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

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

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

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

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

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

909 "I, (print name) \_\_\_\_\_, being first duly sworn, say that I reside at (Street)  
910 \_\_\_\_\_, City of \_\_\_\_\_, County of \_\_\_\_\_, state of Utah, (Zip  
911 Code) \_\_\_\_\_, (Telephone Number, if any) \_\_\_\_\_; that I meet the qualifications for the  
912 office of board of trustees member for \_\_\_\_\_ (state the name of the local  
913 district); that I am a candidate for that office to be voted upon at the next election; and that, if  
914 filing via a designated agent, I will be out of the state of Utah during the entire candidate filing  
915 period, and I hereby request that my name be printed upon the official ballot for that election.

916 (Signed) \_\_\_\_\_

917 Subscribed and sworn to (or affirmed) before me by \_\_\_\_\_ on this \_\_\_\_\_ day  
918 of \_\_\_\_\_, \_\_\_\_\_.

919 (Signed) \_\_\_\_\_

920 (Clerk or Notary Public)"

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

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

925 (h) If at least one individual does not file a declaration of candidacy as required by this  
926 section, an individual shall be appointed to fill that board position in accordance with the

927 appointment provisions of Section 20A-1-512.

928 (i) If only one candidate files a declaration of candidacy and there is no write-in  
929 candidate who complies with Section 20A-9-601, the board, in accordance with Section  
930 20A-1-206, may:

931 (i) consider the candidate to be elected to the position; and

932 (ii) cancel the election.

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

934 (i) the election is authorized by the local district board; and

935 (ii) the number of candidates for a particular local board position or office exceeds  
936 twice the number of persons needed to fill that position or office.

937 (b) The primary election shall be conducted:

938 (i) on the same date as the municipal primary election or the regular primary election,  
939 as applicable; and

940 (ii) according to the procedures for primary elections provided under Title 20A,  
941 Election Code.

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

945 (b) (i) Except as provided in Subsection (7)(c) and in accordance with Section  
946 20A-6-305, the clerk of each county in which the local district is located and the local district  
947 clerk shall coordinate the placement of the name of each candidate for local district office in  
948 the nonpartisan section of the ballot with the appropriate election officer.

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

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

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

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

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

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

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

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

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

966 and

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

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

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

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

972 (10) (a) Except as provided in Subsection 17B-1-303(8), a person elected to serve on a  
973 local district board shall serve a four-year term, beginning at noon on the January 1 after the  
974 person's election.

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

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

979 (b) Each irrigation district shall bear its own costs of each election it holds under this  
980 section.

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

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

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

986 (i) a local district board; or

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



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

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

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

997 (c) Upon receipt of an application described in Subsection (14)(b), the lieutenant  
998 governor may approve the application if the lieutenant governor concludes that holding the  
999 elections at the regular general election is beneficial based on the criteria described in  
1000 Subsection (14)(b)(ii).

1001 (d) If the lieutenant governor approves a board's application described in this section:

1002 (i) all future elections for membership on the board shall be held at the time of the  
1003 regular general election; and

1004 (ii) the board may not hold elections at the time of a municipal general election unless  
1005 the board receives permission from the lieutenant governor to hold all future elections for  
1006 membership on the board at a municipal general election instead of a regular general election,  
1007 under the same procedure, and by applying the same criteria, described in this Subsection (14).

1008 (15) (a) This Subsection (15) applies to a local district if:

1009 (i) the local district's board members are elected by the owners of real property, as  
1010 provided in Subsection 17B-1-1402(1)(b); and

1011 (ii) the local district was created before January 1, 2020.

1012 (b) The board of a local district described in Subsection (15)(a) may conduct an  
1013 election:

1014 (i) to fill a board member position that expires at the end of the term for that board  
1015 member's position; and

1016 (ii) notwithstanding Subsection 20A-1-512(1)(a)(i), to fill a vacancy in an unexpired  
1017 term of a board member.

1018 (c) An election under Subsection (15)(b) may be conducted as determined by the local  
1019 district board, subject to Subsection (15)(d).

1020 (d) (i) The local district board shall provide to property owners eligible to vote at the  
1021 local district election:

1022 (A) notice of the election; and

1023 (B) a form to nominate an eligible individual to be elected as a board member.

1024 (ii) (A) The local district board may establish a deadline for a property owner to submit  
1025 a nomination form.

1026 (B) A deadline under Subsection (15)(d)(ii)(A) may not be earlier than 15 days after  
1027 the board provides the notice and nomination form under Subsection (15)(d)(i).

1028 (iii) (A) After the deadline for submitting nomination forms, the local district board  
1029 shall provide a ballot to all property owners eligible to vote at the local district election.

1030 (B) A local district board shall allow at least five days for ballots to be returned.

1031 (iv) A local district board shall certify the results of an election under this Subsection  
1032 (15) during an open meeting of the board.

1033 Section 13. Section **17B-1-1102** is amended to read:

1034 **17B-1-1102. General obligation bonds.**

1035 (1) Except as provided in [~~Subsection (3)~~] Subsections (3) and (7), if a district intends  
1036 to issue general obligation bonds, the district shall first obtain the approval of district voters for  
1037 issuance of the bonds at an election held for that purpose as provided in Title 11, Chapter 14,  
1038 Local Government Bonding Act.

1039 (2) General obligation bonds shall be secured by a pledge of the full faith and credit of  
1040 the district, subject to:

1041 (a) for a water conservancy district, the property tax levy limits of Section  
1042 [17B-2a-1006](#); and

1043 (b) for a limited tax bond as defined in Section [17B-2a-1202](#) that a public  
1044 infrastructure district issues, the property tax levy limits of Section [17B-2a-1209](#).

1045 (3) A district may issue refunding general obligation bonds, as provided in Title 11,  
1046 Chapter 27, Utah Refunding Bond Act, without obtaining voter approval.

1047 (4) (a) A local district may not issue general obligation bonds if the issuance of the  
1048 bonds will cause the outstanding principal amount of all of the district's general obligation  
1049 bonds to exceed the amount that results from multiplying the fair market value of the taxable  
1050 property within the district, as determined under Subsection [11-14-301\(3\)\(b\)](#), by a number that

1051 is:

- 1052 (i) .05, for a basic local district, except as provided in Subsection (7);
- 1053 (ii) .004, for a cemetery maintenance district;
- 1054 (iii) .002, for a drainage district;
- 1055 (iv) .004, for a fire protection district;
- 1056 (v) .024, for an improvement district;
- 1057 (vi) .1, for an irrigation district;
- 1058 (vii) .1, for a metropolitan water district;
- 1059 (viii) .0004, for a mosquito abatement district;
- 1060 (ix) .03, for a public transit district;
- 1061 (x) .12, for a service area;
- 1062 (xi) .05 for a municipal services district; or
- 1063 (xii) except for a limited tax bond as defined in Section [17B-2a-1202](#), .15 for a public
- 1064 infrastructure district.

1065 (b) Bonds or other obligations of a local district that are not general obligation bonds

1066 are not included in the limit stated in Subsection (4)(a).

1067 (5) A district may not be considered to be a municipal corporation for purposes of the

1068 debt limitation of the Utah Constitution, Article XIV, Section 4.

1069 (6) Bonds issued by an administrative or legal entity created under Title 11, Chapter

1070 13, Interlocal Cooperation Act, may not be considered to be bonds of a local district that

1071 participates in the agreement creating the administrative or legal entity.

1072 (7) (a) As used in this Subsection (7), "property owner district" means a local district

1073 whose board members are elected by property owners, as provided in Subsection

1074 [17B-1-1402\(1\)\(b\)](#).

1075 (b) A property owner district may issue a general obligation bond with the consent of:

1076 (i) the owners of all property within the district; and

1077 (ii) all registered voters, if any, within the boundary of the district.

1078 (c) A property owner district may use proceeds from a bond issued under this

1079 Subsection (7) to fund:

1080 (i) the acquisition and construction of a system or improvement authorized in the

1081 district's creation resolution; and

1082 (ii) a connection outside the boundary of the district between systems or improvements  
1083 within the boundary of the district.

1084 (d) The consent under Subsection (7)(b) is sufficient for any requirement necessary for  
1085 the issuance of a general obligation bond.

1086 (e) A general obligation bond issued under this Subsection (7):

1087 (i) shall mature no later than 40 years after the date of issuance; and

1088 (ii) is not subject to the limit under Subsection (4)(a)(i).

1089 (f) (i) A property owner district may not issue a general obligation bond under this  
1090 Subsection (7) if the issuance will cause the outstanding principal amount of all the district's  
1091 general obligations bonds to exceed one-half of the market value of all real property within the  
1092 district.

1093 (ii) Market value under Subsection (7)(f)(i) shall:

1094 (A) be based on the value that the real property will have after all improvements  
1095 financed by the general obligation bonds are constructed; and

1096 (B) be determined by appraisal by an appraiser who is a member of the Appraisal  
1097 Institute.

1098 (g) With respect to a general obligation bond issued under this Subsection (7), the  
1099 board of a property owner district may, by resolution, delegate to one or more officers of the  
1100 district, the authority to:

1101 (i) approve the final interest rate, price, principal amount, maturity, redemption  
1102 features, and other terms of the bond;

1103 (ii) approve and execute a document relating to the issuance of the bond; and

1104 (iii) approve a contract related to the acquisition and construction of an improvement,  
1105 facility, or property to be financed with proceeds from the bond.

1106 (h) (i) A person may commence a lawsuit or other proceeding to contest the legality of  
1107 the issuance of a general obligation bond issued under this Subsection (7) or any provision  
1108 relating to the security or payment of the bond if the lawsuit or other proceeding is commenced  
1109 within 30 days after the publication of:

1110 (A) the resolution authorizing the issuance of the general obligation bond; or

1111 (B) a notice of the bond issuance containing substantially the items required under  
1112 Subsection [11-14-316\(2\)](#).

1113 (ii) Following the period described in Subsection (7)(h)(i), no person may bring a  
1114 lawsuit or other proceeding to contest for any reason the regularity, formality, or legality of a  
1115 general obligation bond issued under this Subsection (7).

1116 (i) (i) A property owner district that charges and collects an impact fee or other fee on  
1117 real property at the time the real property is sold may proportionally pay down a general  
1118 obligation bond issued under this Subsection (7) from the money collected from the impact fee  
1119 or other fee.

1120 (ii) A property owner district that proportionally pays down a general obligation bond  
1121 under Subsection (7)(i)(i) shall reduce the property tax rate on the parcel of real property on  
1122 which the district charged and collected an impact fee or other charge, to reflect the amount of  
1123 outstanding principal of a general obligation bond issued under this Subsection (7) that was  
1124 paid down and is attributable to that parcel.

1125 (j) If a property owner fails to pay a property tax that the property owner district  
1126 imposes in connection with a general obligation bond issued under this Subsection (7), the  
1127 district may impose a property tax penalty at an annual rate of .07, in addition to any other  
1128 penalty allowed by law.

1129 Section 14. Section **17B-2a-1202** is amended to read:

1130 **17B-2a-1202. Definitions.**

1131 As used in this part:

1132 (1) "Board" means the board of trustees of a public infrastructure district.

1133 (2) "Creating entity" means the county, municipality, or development authority that  
1134 approves the creation of the public infrastructure district.

1135 (3) "Development authority" means:

1136 (a) the Utah Inland Port Authority created in Section [11-58-201](#); or

1137 (b) the military installation development authority created in Section [63H-1-201](#).

1138 (4) "District applicant" means the person proposing the creation of the public  
1139 infrastructure district.

1140 (5) "Division" means a division of a public infrastructure district:

1141 (a) that is relatively equal in number of eligible voters or potential eligible voters to all  
1142 other divisions within the public infrastructure district, taking into account existing or potential  
1143 developments which, when completed, would increase or decrease the population within the

1144 public infrastructure district; and

1145 (b) which a member of the board represents.

1146 (6) "Governing document" means the document governing the public infrastructure  
1147 district to which the creating entity agrees before the creation of the public infrastructure  
1148 district, as amended from time to time, and subject to the limitations of Chapter 1, Provisions  
1149 Applicable to All Local Districts, and this part.

1150 (7) (a) "Limited tax bond" means a bond:

1151 (i) that is directly payable from and secured by ad valorem property taxes that are  
1152 levied:

1153 (A) by the public infrastructure district that issues the bond; and

1154 (B) on taxable property within the district;

1155 (ii) that is a general obligation of the public infrastructure district; and

1156 (iii) for which the ad valorem property tax levy for repayment of the bond does not  
1157 exceed the property tax levy rate limit established under Section 17B-2a-1209 for any fiscal  
1158 year, except as provided in Subsection 17B-2a-1207(8).

1159 (b) "Limited tax bond" does not include:

1160 (i) a short-term bond;

1161 (ii) a tax and revenue anticipation bond; or

1162 (iii) a special assessment bond.

1163 (8) "Public infrastructure and improvements" means:

1164 (a) publicly owned infrastructure and improvements, as defined in Section 11-58-102,  
1165 for a public infrastructure district created by the Utah Inland Port Authority created in Section  
1166 11-58-201; and

1167 (b) the same as that term is defined in Section 63H-1-102, for a public infrastructure  
1168 district created by the military installation development authority created in Section 63H-1-201.

1169 Section 15. Section 17B-2a-1206 is amended to read:

1170 **17B-2a-1206. Additional public infrastructure district powers.**

1171 In addition to the powers conferred on a public infrastructure district under Section  
1172 17B-1-103, a public infrastructure district may:

1173 (1) issue negotiable bonds to pay:

1174 (a) all or part of the costs of acquiring, acquiring an interest in, improving, or extending

1175 any of the improvements, facilities, or property allowed under Section 11-14-103;

1176 (b) capital costs of improvements in an energy assessment area, as defined in Section  
 1177 11-42a-102, and other related costs, against the funds that the public infrastructure district will  
 1178 receive because of an assessment in an energy assessment area, as defined in Section  
 1179 11-42a-102;

1180 (c) public improvements related to the provision of housing;

1181 (d) capital costs related to public transportation; and

1182 (e) for a public infrastructure district created by ~~the~~ a development authority, the cost  
 1183 of acquiring or financing ~~publicly owned~~ public infrastructure and improvements;

1184 (2) enter into an interlocal agreement in accordance with Title 11, Chapter 13,  
 1185 Interlocal Cooperation Act, provided that the interlocal agreement may not expand the powers  
 1186 of the public infrastructure district, within the limitations of Title 11, Chapter 13, Interlocal  
 1187 Cooperation Act, without the consent of the creating entity;

1188 (3) acquire completed or partially completed improvements for fair market value as  
 1189 reasonably determined by:

1190 (a) the board;

1191 (b) the creating entity, if required in the governing document; or

1192 (c) a surveyor or engineer that a public infrastructure district employs or engages to  
 1193 perform the necessary engineering services for and to supervise the construction or installation  
 1194 of the improvements;

1195 (4) contract with the creating entity for the creating entity to provide administrative  
 1196 services on behalf of the public infrastructure district, when agreed to by both parties, in order  
 1197 to achieve cost savings and economic efficiencies, at the discretion of the creating entity; and

1198 (5) for a public infrastructure district created by a development authority:

1199 (a) (i) operate and maintain ~~publicly owned~~ public infrastructure and improvements  
 1200 the district acquires or finances; and

1201 (ii) use fees, assessments, or taxes to pay for the operation and maintenance of those  
 1202 ~~publicly owned~~ public infrastructure and improvements; and

1203 (b) issue bonds under Title 11, Chapter 42, Assessment Area Act.

1204 Section 16. Section 63A-3-401.5 is enacted to read:

1205 **Part 4. Infrastructure Revolving Loan Funds**

1206 **63A-3-401.5. Definitions.**1207 As used in this part:1208 (1) "Borrower" means a person who borrows money from an infrastructure fund for an  
1209 infrastructure project.1210 (2) "Independent political subdivision" means the inland port authority, the point of the  
1211 mountain authority, or the military development authority.1212 (3) "Infrastructure fund" means a fund created in Subsection [63A-3-402\(1\)](#).1213 (4) "Infrastructure loan" means a loan of infrastructure fund money to finance an  
1214 infrastructure project.1215 (5) "Infrastructure project" means a project to acquire, construct, reconstruct,  
1216 rehabilitate, equip, or improve public infrastructure and improvements:1217 (a) within a project area; or1218 (ii) outside a project area, if the loan approval committee determines by resolution that  
1219 the public infrastructure and improvements are of benefit to the project area.1220 (6) "Inland port" means the same as that term is defined in Section [11-58-102](#).1221 (7) "Inland port authority" means the Utah Inland Port Authority created in Section  
1222 [11-58-201](#).1223 (8) "Inland port fund" means the infrastructure fund created in Subsection  
1224 [63A-3-402\(1\)\(a\)](#).1225 (9) "Military development authority" means the military installation development  
1226 authority created in Section [63H-1-201](#).1227 (10) "Military development fund" means the infrastructure fund created in Subsection  
1228 [63A-3-402\(1\)\(c\)](#).1229 (11) "Point of the mountain authority" means the Point of the Mountain State Land  
1230 Authority created in Section [11-59-201](#).1231 (12) "Point of the mountain fund" means the infrastructure fund created in Subsection  
1232 [63A-3-402\(1\)\(b\)](#).1233 (13) "Project area" means:1234 (a) for purposes of an infrastructure loan from the inland port fund, the same as that  
1235 term is defined in Section [11-58-102](#);



1236 (b) for purposes of an infrastructure loan from the point of the mountain fund, the point  
 1237 of the mountain state land, as defined in Section 11-59-102; and

1238 (c) for purposes of an infrastructure loan from the military development fund, the same  
 1239 as that term is defined in Section 63H-1-102.

1240 (14) "Property tax revenue" means:

1241 (a) property tax differential, as defined in Section 11-58-102, with respect to an  
 1242 infrastructure loan from the inland port fund; or

1243 (b) property tax allocation, as defined in Section 63H-1-102, with respect to an  
 1244 infrastructure loan from the military development fund.

1245 (15) "Public infrastructure and improvements" means:

1246 (a) with respect to the inland port fund, publicly owned infrastructure and  
 1247 improvements, as defined in Section 11-58-102 and includes an inland port facility; and

1248 (b) with respect to the military development fund, the same as that term is defined in  
 1249 Section 63H-1-102.

1250 (16) "Respective loan approval committee" means:

1251 (a) with respect to a loan from the inland port fund, the committee created in Section  
 1252 11-58-106;

1253 (b) with respect to a loan from the point of the mountain fund, the committee created in  
 1254 Section 11-59-104; and

1255 (c) with respect to a loan from the military development fund, the committee created in  
 1256 Section 63H-1-104.

1257 Section 17. Section **63A-3-402** is enacted to read:

1258 **63A-3-402. Infrastructure funds established -- Purpose of funds -- Use of money**  
 1259 **in funds.**

1260 (1) There are created, as enterprise revolving loan funds:

1261 (a) the inland port infrastructure revolving loan fund;

1262 (b) the point of the mountain infrastructure revolving loan fund; and

1263 (c) the military development infrastructure revolving loan fund.

1264 (2) The purpose of each infrastructure fund is to provide funding, through  
 1265 infrastructure loans, for infrastructure projects undertaken by a borrower.

1266 (3) (a) Money in an infrastructure fund may be used only to provide loans for

1267 infrastructure projects.

1268 (b) The division may not loan money in an infrastructure fund without the approval of  
1269 the respective loan approval committee.

1270 Section 18. Section **63A-3-403** is enacted to read:

1271 **63A-3-403. Money in infrastructure funds.**

1272 (1) Money in each of the infrastructure funds shall be kept separate and accounted for  
1273 separately from money in the other infrastructure funds.

1274 (2) Each infrastructure fund includes money:

1275 (a) appropriated to that fund by the Legislature;

1276 (b) transferred to the fund from the State Infrastructure Bank Fund created in Section  
1277 72-2-202, if applicable;

1278 (c) from federal, state, or other public grants or contributions;

1279 (d) that an independent political subdivision transfers to the fund from other money  
1280 available to the independent political subdivision;

1281 (e) contributed or granted to the infrastructure fund from a private source; and

1282 (f) collected from repayments of loans of infrastructure fund money.

1283 (3) In addition to money identified in Subsection (2), the military development fund  
1284 includes money repaid after May 5, 2021 from a loan under Subsection 63B-27-101(3)(a).

1285 (4) (a) Each infrastructure fund shall earn interest.

1286 (b) All interest earned on infrastructure fund money shall be deposited into the  
1287 respective infrastructure fund and included in the money of the infrastructure fund available to  
1288 be loaned.

1289 (5) The state treasurer shall invest infrastructure fund money as provided in Title 51,  
1290 Chapter 7, State Money Management Act.

1291 Section 19. Section **63A-3-404** is enacted to read:

1292 **63A-3-404. Loan agreement.**

1293 (1) (a) A borrower that borrows money from an infrastructure fund shall enter into a  
1294 loan agreement with the division for repayment of the money.

1295 (b) (i) A loan agreement under Subsection (1)(a) shall be secured by:

1296 (A) bonds, notes, or another evidence of indebtedness validly issued under state law; or

1297 (B) revenue generated from an infrastructure project.

1298 (ii) The security provided under Subsection (1)(b)(i) may include the borrower's pledge  
1299 of some or all of a revenue source that the borrower controls.

1300 (c) The respective loan approval committee may determine that property tax revenue or  
1301 revenue from the infrastructure project for which the infrastructure loan is obtained is sufficient  
1302 security for an infrastructure loan.

1303 (2) An infrastructure loan shall bear interest at a rate not to exceed .5% above bond  
1304 market interest rates available to the state.

1305 (3) (a) Subject to Subsection (3)(b), the respective loan approval committee shall  
1306 determine the length of term of an infrastructure loan.

1307 (b) If the security for an infrastructure loan is property tax revenue, the repayment  
1308 terms of the infrastructure loan agreement shall allow sufficient time for the property tax  
1309 revenue to generate sufficient money to cover payments under the infrastructure loan.

1310 (4) An infrastructure loan agreement may provide for a portion of the loan proceeds to  
1311 be applied to a reserve fund to secure repayment of the infrastructure loan.

1312 (5) (a) If a borrower fails to comply with the terms of an infrastructure loan agreement,  
1313 the division may:

1314 (i) seek any legal or equitable remedy to obtain:

1315 (A) compliance with the agreement; or

1316 (B) the payment of damages; and

1317 (ii) request a state agency with money due to the borrower to withhold payment of the  
1318 money to the borrower and instead to pay the money to the division to pay any amount due  
1319 under the infrastructure loan agreement.

1320 (b) A state agency that receives a request from the division under Subsection (5)(a)(ii)  
1321 shall pay to the division the money due to the borrower to the extent of the amount due under  
1322 the infrastructure loan agreement.

1323 (6) Upon approval from the respective loan approval committee, the division shall loan  
1324 money from an infrastructure fund according to the terms established by the respective loan  
1325 approval committee.

1326 (7) (a) The division shall administer and enforce an infrastructure loan according to the  
1327 terms of the infrastructure loan agreement.

1328 (b) (i) Beginning May 5, 2021, the division shall assume responsibility from the State

1329 Infrastructure Bank Fund for servicing the loan under Subsection 63B-27-101(3)(a).  
1330 (ii) Payments due after May 5, 2021 under the loan under Subsection 63B-27-101(3)(a)  
1331 shall be made to the division rather than to the State Infrastructure Bank Fund, to be deposited  
1332 into the military development fund.

1333 Section 20. Section 63H-1-102 is amended to read:

1334 **63H-1-102. Definitions.**

1335 As used in this chapter:

1336 (1) "Authority" means the Military Installation Development Authority, created under  
1337 Section 63H-1-201.

1338 (2) "Base taxable value" means:

1339 (a) for military land or other land that was exempt from a property tax at the time that a  
1340 project area was created that included the military land or other land, a taxable value of zero; or

1341 (b) for private property that is included in a project area, the taxable value of the  
1342 property within any portion of the project area, as designated by board resolution, from which  
1343 the property tax allocation will be collected, as shown upon the assessment roll last equalized:

1344 (i) before the year in which the authority creates the project area; or

1345 (ii) before the year in which the project area plan is amended, for property added to a  
1346 project area by an amendment to a project area plan.

1347 (3) "Board" means the governing body of the authority created under Section  
1348 63H-1-301.

1349 (4) (a) "Dedicated tax collections" means the property tax that remains after the  
1350 authority is paid the property tax allocation the authority is entitled to receive under Subsection  
1351 63H-1-501(1), for a property tax levied by:

1352 (i) a county, including a district the county has established under Subsection 17-34-3(2)  
1353 to levy a property tax under Title 17, Chapter 34, Municipal-Type Services to Unincorporated  
1354 Areas; or

1355 (ii) an included municipality.

1356 (b) "Dedicated tax collections" does not include a county additional property tax or  
1357 multicounty assessing and collecting levy imposed in accordance with Section 59-2-1602.

1358 (5) (a) "Development" means an activity occurring:

1359 (i) on land within a project area that is owned or operated by the military, the authority,

- 1360 another public entity, or a private entity; or
- 1361 (ii) on military land associated with a project area.
- 1362 (b) "Development" includes the demolition, construction, reconstruction, modification,
- 1363 expansion, or improvement of a building, facility, utility, landscape, parking lot, park, trail, or
- 1364 recreational amenity.
- 1365 (6) "Development project" means a project to develop land within a project area.
- 1366 (7) "Elected member" means a member of the authority board who:
- 1367 (a) is a mayor or member of a legislative body appointed under Subsection
- 1368 [63H-1-302\(2\)\(b\)](#); or
- 1369 (b) (i) is appointed to the authority board under Subsection [63H-1-302\(2\)\(a\)](#) or (3); and
- 1370 (ii) concurrently serves in an elected state, county, or municipal office.
- 1371 (8) "Included municipality" means a municipality, some or all of which is included
- 1372 within a project area.
- 1373 (9) (a) "Military" means a branch of the armed forces of the United States, including
- 1374 the Utah National Guard.
- 1375 (b) "Military" includes, in relation to property, property that is occupied by the military
- 1376 and is owned by the government of the United States or the state.
- 1377 (10) "Military Installation Development Authority accommodations tax" or "MIDA
- 1378 accommodations tax" means the tax imposed under Section [63H-1-205](#).
- 1379 (11) "Military Installation Development Authority energy tax" or "MIDA energy tax"
- 1380 means the tax levied under Section [63H-1-204](#).
- 1381 (12) "Military land" means land or a facility, including leased land or a leased facility,
- 1382 that is part of or affiliated with a base, camp, post, station, yard, center, or installation under the
- 1383 jurisdiction of the United States Department of Defense, the United States Department of
- 1384 Veterans Affairs, or the Utah National Guard.
- 1385 (13) "Municipal energy tax" means a municipal energy sales and use tax under Title
- 1386 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act.
- 1387 (14) "Municipal services revenue" means revenue that the authority:
- 1388 (a) collects from the authority's:
- 1389 (i) levy of a municipal energy tax;
- 1390 (ii) levy of a MIDA energy tax;

- 1391 (iii) levy of a telecommunications tax;
- 1392 (iv) imposition of a transient room tax; and
- 1393 (v) imposition of a resort communities tax;
- 1394 (b) receives under Subsection 59-12-205(2)(b)(ii); and
- 1395 (c) receives as dedicated tax collections.
- 1396 (15) "Municipal tax" means a municipal energy tax, MIDA energy tax, MIDA
- 1397 accommodations tax, telecommunications tax, transient room tax, or resort communities tax.
- 1398 (16) "Project area" means the land, including military land, whether consisting of a
- 1399 single contiguous area or multiple noncontiguous areas, described in a project area plan or draft
- 1400 project area plan, where the development project set forth in the project area plan or draft
- 1401 project area plan takes place or is proposed to take place.
- 1402 (17) "Project area budget" means a multiyear projection of annual or cumulative
- 1403 revenues and expenses and other fiscal matters pertaining to a project area that includes:
- 1404 (a) the base taxable value of property in the project area;
- 1405 (b) the projected property tax allocation expected to be generated within the project
- 1406 area;
- 1407 (c) the amount of the property tax allocation expected to be shared with other taxing
- 1408 entities;
- 1409 (d) the amount of the property tax allocation expected to be used to implement the
- 1410 project area plan, including the estimated amount of the property tax allocation to be used for
- 1411 land acquisition, public improvements, infrastructure improvements, and loans, grants, or other
- 1412 incentives to private and public entities;
- 1413 (e) the property tax allocation expected to be used to cover the cost of administering
- 1414 the project area plan;
- 1415 (f) if the property tax allocation is to be collected at different times or from different
- 1416 portions of the project area, or both:
- 1417 (i) (A) the tax identification numbers of the parcels from which the property tax
- 1418 allocation will be collected; or
- 1419 (B) a legal description of the portion of the project area from which the property tax
- 1420 allocation will be collected; and
- 1421 (ii) an estimate of when other portions of the project area will become subject to

1422 collection of the property tax allocation; and

1423 (g) for property that the authority owns or leases and expects to sell or sublease, the  
1424 expected total cost of the property to the authority and the expected selling price or lease  
1425 payments.

1426 (18) "Project area plan" means a written plan that, after the plan's effective date, guides  
1427 and controls the development within a project area.

1428 (19) (a) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4,  
1429 Privilege Tax, except as described in Subsection (19)(b), and each levy on an ad valorem basis  
1430 on tangible or intangible personal or real property.

1431 (b) "Property tax" does not include a privilege tax on the taxable value:

1432 (i) attributable to a portion of a facility leased to the military for a calendar year when:

1433 (A) a lessee of military land has constructed a facility on the military land that is part of  
1434 a project area;

1435 (B) the lessee leases space in the facility to the military for the entire calendar year; and

1436 (C) the lease rate paid by the military for the space is \$1 or less for the entire calendar  
1437 year, not including any common charges that are reimbursements for actual expenses; or

1438 (ii) of the following property owned by the authority, regardless of whether the  
1439 authority enters into a long-term operating agreement with a privately owned entity under  
1440 which the privately owned entity agrees to operate the property:

1441 (A) a hotel;

1442 (B) a hotel condominium unit in a condominium project, as defined in Section 57-8-3;

1443 and

1444 (C) a commercial condominium unit in a condominium project, as defined in Section  
1445 57-8-3.

1446 (20) "Property tax allocation" means the difference between:

1447 (a) the amount of property tax revenues generated each tax year by all taxing entities  
1448 from the area within a project area designated in the project area plan as the area from which  
1449 the property tax allocation is to be collected, using the current assessed value of the property;  
1450 and

1451 (b) the amount of property tax revenues that would be generated from that same area  
1452 using the base taxable value of the property.

1453 (21) "Public entity" means:  
1454 (a) the state, including each department or agency of the state; or  
1455 (b) a political subdivision of the state, including a county, city, town, school district,  
1456 local district, special service district, or interlocal cooperation entity, including the authority.  
1457 (22) (a) [~~"Publicly owned"~~] "Public infrastructure and improvements" means  
1458 infrastructure, improvements, facilities, or buildings that:  
1459 (i) benefit the public, the authority, the military, or military-related entities [~~and are~~];  
1460 and  
1461 [(i)] (ii) (A) are publicly owned by the military, the authority, a public infrastructure  
1462 district under Title 17B, Chapter 2a, Part 12, Public Infrastructure District Act, or another  
1463 public entity;  
1464 [(ii)] (B) are owned by a utility; or  
1465 [(iii)] (C) are publicly maintained or operated by the military, the authority, or another  
1466 public entity.  
1467 (b) "Public infrastructure and improvements" also means infrastructure, improvements,  
1468 facilities, or buildings that:  
1469 (i) are privately owned; and  
1470 (ii) provide a substantial benefit, as determined by the board, to the development and  
1471 operation of a project area.  
1472 [(b)] (c) [~~"Publicly owned"~~] "Public infrastructure and improvements" includes:  
1473 (i) facilities, lines, or systems that harness geothermal energy or provide water, chilled  
1474 water, steam, sewer, storm drainage, natural gas, electricity, or telecommunications;  
1475 (ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking  
1476 facilities, public transportation facilities, and parks, trails, and other recreational facilities;  
1477 (iii) snowmaking equipment and related improvements that can also be used for water  
1478 storage or fire suppression purposes; and  
1479 (iv) a building and related improvements for occupancy by the public, the authority, the  
1480 military, or military-related entities.  
1481 (23) "Remaining municipal services revenue" means municipal services revenue that  
1482 the authority has not:  
1483 (a) spent during the authority's fiscal year for municipal services as provided in



- 1484 Subsection [63H-1-503\(1\)](#); or
- 1485 (b) redirected to use in accordance with Subsection [63H-1-502\(3\)](#).
- 1486 (24) "Resort communities tax" means a sales and use tax imposed under Section
- 1487 [59-12-401](#).
- 1488 (25) "Taxable value" means the value of property as shown on the last equalized
- 1489 assessment roll.
- 1490 (26) "Taxing entity":
- 1491 (a) means a public entity that levies a tax on property within a project area; and
- 1492 (b) does not include a public infrastructure district that the authority creates under Title
- 1493 17B, Chapter 2a, Part 12, Public Infrastructure District Act.
- 1494 (27) "Telecommunications tax" means a telecommunications license tax under Title
- 1495 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act.
- 1496 (28) "Transient room tax" means a tax under Section [59-12-352](#).
- 1497 Section 21. Section **63H-1-104** is enacted to read:
- 1498 **63H-1-104. Loan approval committee -- Approval of infrastructure loans.**
- 1499 (1) As used in this section:
- 1500 (a) "Borrower" means the same as that term is defined in Section [63A-3-401.5](#).
- 1501 (b) "Infrastructure loan" means the same as that term is defined in Section
- 1502 [63A-3-401.5](#).
- 1503 (c) "Infrastructure project" means the same as that term is defined in Section
- 1504 [63A-3-401.5](#).
- 1505 (d) "Military development fund" means the same as that term is defined in Section
- 1506 [63A-3-401.5](#).
- 1507 (e) "Loan approval committee" means a committee consisting of:
- 1508 (i) the board member who is appointed by the governor under Subsection
- 1509 [63H-1-302\(2\)\(a\)](#);
- 1510 (ii) the board member who is appointed by the governor under Subsection
- 1511 [63H-1-302\(2\)\(c\)](#);
- 1512 (iii) the board members who are appointed by the president of the Senate and the
- 1513 speaker of the House of Representatives under Subsection [63H-1-302\(3\)](#); and
- 1514 (iv) a voting or nonvoting board member designated by the board.

1515           (2) The loan approval committee may approve an infrastructure loan from the military  
1516 development fund to a borrower for an infrastructure project undertaken by the borrower.

1517           (3) The loan approval committee shall establish the terms of an infrastructure loan in  
1518 accordance with Section [63A-3-404](#).

1519           (4) The loan approval committee may establish policies and guidelines with respect to  
1520 prioritizing requests for infrastructure loans and approving infrastructure loans.

1521           (5) Beginning May 5, 2021, the loan approval committee shall assume jurisdiction  
1522 from the State Infrastructure Bank Fund relating to the terms of a loan under Subsection  
1523 [63B-27-101](#)(3)(a).

1524           (6) Within 60 days after the execution of an infrastructure loan, the loan approval  
1525 committee shall report the infrastructure loan, including the loan amount, terms, and security,  
1526 to the Executive Appropriations Committee.