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SENATE BILL 755

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Joseph A. Fidel

AN ACT

RELATING TO PUBLIC IMPROVEMENTS; ESTABLISHING A METHOD FOR MUNICIPALITIES AND COUNTIES TO CREATE TAX-LEVYING PUBLIC IMPROVEMENT DISTRICTS TO CONSTRUCT AND FINANCE NECESSARY PUBLIC IMPROVEMENTS IN THE STATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE.--This act may be cited as the "Public Improvement District Act".

Section 2. DEFINITIONS.--As used in the Public Improvement District Act:

A. "clerk" means the clerk of the municipality or county, or any person appointed by the district board to be the district clerk pursuant to Section 6 of the Public Improvement District Act;

B. "county" means a county that forms a public

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1 improvement district pursuant to the Public Improvement  
2 District Act in an unincorporated area or in an incorporated  
3 area with the municipality's consent;

4 C. "debt service" means the principal of, interest  
5 on and premium, if any, on the bonds, when due, whether at  
6 maturity or prior redemption and fees and costs of registrars,  
7 trustees, paying agents or other agents necessary to handle  
8 the bonds and the costs of credit enhancement or liquidity  
9 support;

10 D. "development agreement" means an agreement  
11 between a property owner or developer, the county or  
12 municipality, or district concerning the improvement of  
13 specific property within the district, which agreement may be  
14 used to establish obligations of the owner or developer, the  
15 county or municipality or the district concerning the zoning,  
16 subdivision, improvement, impact fees, financial  
17 responsibilities and other matters relating to the  
18 development, improvement and use of real property within a  
19 district;

20 E. "district" means a public improvement district  
21 formed pursuant to the Public Improvement District Act by a  
22 municipality or by a county in an unincorporated area or in an  
23 incorporated area with the municipality's consent;

24 F. "district board" means the board of directors  
25 of the district, which shall be comprised of members of the

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1 governing body, ex officio, or, at the option of the governing  
2 body, five directors appointed by the governing body of the  
3 municipality or county in which the district is located, until  
4 replaced by elected directors, which shall occur not later  
5 than six years after the date on which the resolution  
6 establishing the district is enacted, as provided in Section 9  
7 of the Public Improvement District Act;

8 G. "election" means an election held in compliance  
9 with the provisions of Sections 6 and 7 of the Public  
10 Improvement District Act;

11 H. "enhanced services" means public services  
12 provided by a municipality or county within the district at a  
13 higher level or to a greater degree than otherwise available  
14 to the land located in the district from the municipality or  
15 county, including such services as public safety, fire  
16 protection, street or sidewalk cleaning or landscape  
17 maintenance in public areas. "Enhanced services" does not  
18 include the basic operation and maintenance related to  
19 infrastructure improvements financed by the district pursuant  
20 to the Public Improvement District Act;

21 I. "general plan" means the general plan described  
22 in Section 3 of the Public Improvement District Act, as the  
23 plan may be amended from time to time;

24 J. "governing body" means the body or board that  
25 by law is constituted as the governing body of the

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1 municipality or county in which the public improvement  
2 district is located;

3 K. "municipality" means an incorporated city,  
4 village or town;

5 L. "owner" means:

6 (1) the person who is listed as the owner of  
7 real property in the district on the current property tax  
8 assessment roll in effect at the time that the action,  
9 proceeding, hearing or election has begun. For purposes of  
10 voting in elections held pursuant to the Public Improvement  
11 District Act, when the owner of record title is a married  
12 person, only one spouse in whose name title is held may vote  
13 at such election. Where record title is held in more than one  
14 name, each owner who is a qualified elector of the state may  
15 vote the number of fractions of acres represented by his legal  
16 interest or proportionate share of and in the lands within the  
17 district;

18 (2) the administrator or executor of an  
19 estate holding record title to land within the district;

20 (3) the guardian of a minor or incompetent  
21 person holding record title to land within the district,  
22 appointed and qualified under the laws of the state;

23 (4) an officer of a corporation holding  
24 record title to land within the district, which officer has  
25 been authorized by resolution of the corporation's board of

1 directors to act with respect to such land;

2 (5) the general partner of a partnership  
3 holding record title to land within the district; and

4 (6) the trustee of a trust holding record  
5 title to land within the district;

6 M "public infrastructure improvements" means all  
7 improvements listed in this subsection and includes both on-  
8 site improvements and off-site improvements that directly or  
9 indirectly benefit the district. Such improvements include  
10 necessary or incidental work, whether newly constructed,  
11 renovated or existing, and all necessary or desirable  
12 appurtenances. "Public infrastructure improvements" includes:

13 (1) sanitary sewage systems, including  
14 collection, transport, storage, treatment, dispersal, effluent  
15 use and discharge;

16 (2) drainage and flood control systems,  
17 including collection, transport, diversion, storage,  
18 detention, retention, dispersal, use and discharge;

19 (3) water systems for domestic, commercial,  
20 office, hotel or motel, industrial, irrigation, municipal or  
21 fire protection purposes, including production, collection,  
22 storage, treatment, transport, delivery, connection and  
23 dispersal;

24 (4) highways, streets, roadways, bridges,  
25 crossing structures and parking facilities, including all

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1 areas for vehicular use for travel, ingress, egress and  
2 parking;

3 (5) trails and areas for pedestrian,  
4 equestrian, bicycle or other nonmotor vehicle use for travel,  
5 ingress, egress and parking;

6 (6) pedestrian malls, parks, recreational  
7 facilities and open space areas for the use of members of the  
8 public for entertainment, assembly and recreation;

9 (7) landscaping, including earthworks,  
10 structures, lakes and other water features, plants, trees and  
11 related water delivery systems;

12 (8) public buildings, public safety  
13 facilities and fire protection and police facilities;

14 (9) electrical generation, transmission and  
15 distribution facilities;

16 (10) natural gas distribution facilities;

17 (11) lighting systems;

18 (12) cable or other telecommunications lines  
19 and related equipment;

20 (13) traffic control systems and devices,  
21 including signals, controls, markings and signage;

22 (14) school sites and facilities with the  
23 consent of the governing board of the public school district  
24 for which the site or facility is to be acquired, constructed  
25 or renovated;

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1 (15) library and other public educational or  
2 cultural facilities;

3 (16) equipment, vehicles, furnishings and  
4 other personalty related to the items listed in this  
5 subsection; and

6 (17) inspection, construction management and  
7 program management costs;

8 N. "public infrastructure purpose" means:

9 (1) planning, design, engineering,  
10 construction, acquisition or installation of public  
11 infrastructure, including the costs of applications, impact  
12 fees and other fees, permits and approvals related to the  
13 construction, acquisition or installation of such  
14 infrastructure;

15 (2) acquiring, converting, renovating or  
16 improving existing facilities for public infrastructure,  
17 including facilities owned, leased or installed by an owner;

18 (3) acquiring interests in real property or  
19 water rights for public infrastructure, including interests of  
20 an owner;

21 (4) establishing, maintaining and  
22 replenishing reserves in order to secure payment of debt  
23 service on bonds;

24 (5) funding and paying from bond proceeds  
25 interest accruing on bonds for a period not to exceed three

1 years from their date of issuance;

2 (6) funding and paying from bond proceeds  
3 fiscal, financial and legal consultant fees, trustee fees,  
4 discount fees, district formation and election costs and all  
5 costs of issuance of bonds issued pursuant to the Public  
6 Improvement District Act, including, but not limited to, fees  
7 and costs for bond counsel, financial advisors, consultants  
8 and underwriters, costs of obtaining credit ratings, bond  
9 insurance premiums, fees for letters of credit and other  
10 credit enhancement costs and printing costs;

11 (7) providing for the timely payment of debt  
12 service on bonds or other indebtedness of the district;

13 (8) refinancing any outstanding bonds with  
14 new bonds, including through the formation of a new public  
15 improvement district; and

16 (9) incurring expenses of the district  
17 incident to and reasonably necessary to carry out the purposes  
18 specified in this subsection;

19 0. "resident qualified elector" means a person who  
20 resides within the boundaries of a district or proposed  
21 district and who is qualified to vote in the general elections  
22 held in the state pursuant to Section 1-1-4 NMSA 1978;

23 P. "special levy" means a levy imposed against  
24 real property within a district that may be apportioned  
25 according to direct or indirect benefits conferred upon



1 affected real property, as well as acreage, front footage, the  
2 cost of providing public infrastructure for affected real  
3 property, or other reasonable method, as determined by the  
4 governing body or district board, as applicable; and

5 Q. "treasurer" means the treasurer of the  
6 governing body or the person appointed by the district board  
7 as the district treasurer pursuant to Section 6 of the Public  
8 Improvement District Act.

9 Section 3. RESOLUTION DECLARING INTENTION TO FORM  
10 DISTRICT. --

11 A. If the public convenience and necessity  
12 require, and on presentation of a petition signed by the  
13 owners of at least twenty-five percent of the real property by  
14 assessed valuation proposed to be included in the district,  
15 the governing body may adopt a resolution declaring its  
16 intention to form a public improvement district to include  
17 contiguous or noncontiguous property, which shall be wholly  
18 within the corporate boundaries of the municipality or county.  
19 The resolution shall state the following:

- 20 (1) the area or areas to be included in the  
21 district;
- 22 (2) the purposes for which the district is to  
23 be formed;
- 24 (3) that a general plan for the district is  
25 on file with the clerk that includes a map depicting the

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1 boundaries of the district and the real property proposed to  
2 be included in the district, a general description of  
3 anticipated improvements and their locations, general cost  
4 estimates, proposed financing methods and anticipated tax  
5 levies, special levies or charges, and that may include  
6 possible alternatives, modifications or substitutions  
7 concerning locations, improvements, financing methods and  
8 other information provided in the general plan;

9 (4) the rate, method of apportionment and  
10 manner of collection of a special levy, if one is proposed, in  
11 sufficient detail to enable each owner or resident within the  
12 district to estimate the maximum amount of the proposed levy;

13 (5) a notice of public hearing in conformity  
14 with the requirements of Section 4 of the Public Improvement  
15 District Act;

16 (6) the place where written objections to the  
17 formation of the district may be filed by an owner;

18 (7) that formation of the district may result  
19 in the levy of property taxes or the imposition of special  
20 levies to pay the costs of public infrastructure constructed  
21 by the district and for their operation and maintenance and  
22 may result in the assessment of fees or charges to pay the  
23 cost of providing enhanced services;

24 (8) a reference to the Public Improvement  
25 District Act; and

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1 (9) whether the district will be governed by  
2 a district board comprised of the members of the governing  
3 body, ex officio, or comprised of five directors initially  
4 appointed by the governing body.

5 B. The resolution may direct that, prior to  
6 holding a hearing on formation of the district, a study of the  
7 feasibility and estimated costs of the improvements, services,  
8 enhanced services and other benefits proposed to be provided  
9 pursuant to the Public Improvement District Act be prepared by  
10 the petitioners for consideration by the governing body at its  
11 hearing on formation of the district. The study shall  
12 substantially comply with the requirements of Section 16 of  
13 the Public Improvement District Act. The district may require  
14 that the persons petitioning for formation of the district  
15 deposit with the treasurer an amount equal to the estimated  
16 costs of conducting the feasibility study and other estimated  
17 formation costs, to be reimbursed if the district is formed  
18 and public improvements are financed pursuant to the Public  
19 Improvement District Act.

20 C. The resolution shall direct that a hearing on  
21 formation of the district be scheduled and that notice be  
22 mailed and published as provided in Section 4 of the Public  
23 Improvement District Act.

24 D. Before adopting a resolution pursuant to this  
25 section, a general plan for the district shall be filed with

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1 the clerk.

2 Section 4. NOTICE AND PUBLIC HEARING. --

3 A. The notice of public hearing to be held  
4 concerning the formation of a public improvement district  
5 pursuant to the Public Improvement District Act shall be  
6 mailed by registered or certified United States mail, postage  
7 prepaid, to all owners of real property in the proposed  
8 district at least thirty days prior to the date of the  
9 hearing. In addition, notice shall be published once each  
10 week for two successive weeks in a newspaper of general  
11 circulation in the municipality or county in which the  
12 proposed district lies. The last publication shall be at  
13 least three days before the date of the hearing. The notice  
14 shall comply with requirements of Subsections B and C of this  
15 section.

16 B. The clerk shall execute a notice, which shall  
17 read substantially as follows:

18 "To whom it may concern:  
19 The governing body of the (municipality)(county) of  
20 \_\_\_\_\_, on (Date), adopted the attached resolution  
21 declaring its intention to form a tax-levying public  
22 improvement district. A hearing on formation will be held on  
23 (Date), at (Time) at (Location). All persons owning or  
24 claiming an interest in property in the proposed district who  
25 object to the inclusion of their land in the district, to the

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1 formation of the district or to the contents of the general  
2 plan must file a written objection with the undersigned at the  
3 following address before the time set for the hearing.

4 (Date) \_\_\_\_\_

5 \_\_\_\_\_

6 Clerk

7 \_\_\_\_\_

8 Address

9 (Name of municipality or county)".

10 C. A summary of the resolution declaring the  
11 governing body's intention to form the district shall be  
12 attached to the notice, and the clerk shall cause a copy to be  
13 mailed to the owners of real property in the district and to  
14 all other persons claiming an interest in such property who  
15 have filed a written request for a copy of the notice within  
16 the six months preceding or at any time following the adoption  
17 of the resolution of intent to form the district. The clerk  
18 shall also publish a copy of the notice and resolution summary  
19 at least twice in a newspaper of general circulation in the  
20 municipality or county in which the proposed district lies.  
21 The clerk shall execute an affidavit of mailing stating the  
22 date of mailing and the names and addresses of the persons to  
23 whom the notices and copies of the resolutions were mailed.  
24 The clerk shall obtain an affidavit from the newspaper in  
25 which the publication was made. The clerk shall cause both

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1 affidavits to be placed in the official records of the  
2 municipality or county. The affidavits are conclusive  
3 evidence of the mailing and publishing of notice. Notice  
4 shall not be held invalid for failure of delivery to the  
5 addressee.

6 D. If the clerk is informed that the person listed  
7 on the assessment roll is no longer the owner and the name and  
8 address of the successor owner become known, the clerk shall  
9 cause a copy of the notice and resolution to be mailed to the  
10 successor owner as soon as practicable after learning of the  
11 change of ownership.

12 Section 5. HEARING ON OBJECTIONS. --

13 A. Any person claiming an interest in real  
14 property that the resolution discloses is situated in the  
15 district may file a written objection with the clerk before  
16 5:00 p.m. on the business day preceding the date and time set  
17 for the hearing. The objection may raise one or more of the  
18 following issues:

19 (1) that the objector's property would not be  
20 substantially benefited, directly or indirectly, from the  
21 public infrastructure improvements or enhanced services  
22 proposed to be financed, as set forth in the general plan, and  
23 that the property should be excluded from the district;

24 (2) that the district should not be formed,  
25 stating the specific reasons; and

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1 (3) that the general plan should be modified,  
2 stating the reasons for modification.

3 B. At the hearing, including any adjournments or  
4 continuances, the governing body shall hear and pass only on  
5 the written objections and the testimony and evidence  
6 presented in support of or opposition to the objections. The  
7 hearing shall be either transcribed by a court reporter or  
8 recorded by a tape recorder. The court reporter's transcript  
9 or a tape recording certified to be true and correct by the  
10 clerk shall be filed or otherwise preserved in the official  
11 records of the governing body.

12 C. In furtherance of the hearing, the clerk, on  
13 written request being presented, shall issue subpoenas or  
14 subpoenas duces tecum to compel the attendance and testimony  
15 of any person or the submission of any documents at the  
16 hearing. Compliance with the subpoena shall be enforced as if  
17 the subpoena were issued by a clerk of the state district  
18 court.

19 D. Testimony at the hearing need not be under  
20 oath, unless requested by any owner or required by the  
21 governing board. Requests by owners that the testimony be  
22 under oath must be made in writing and be filed with, or  
23 served on, the clerk before the hearing begins or the request  
24 is deemed waived.

25 E. The minutes or a copy of a written transcript

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1 or a tape recording of the proceedings of a hearing conducted  
2 pursuant to this section shall be open to public inspection  
3 three working days after the conclusion of a hearing. Any  
4 person may request to examine or be furnished copies,  
5 printouts, photographs, transcripts or recordings of a hearing  
6 during regular office hours of the governing body. The  
7 custodian of the records shall furnish the copies, printouts,  
8 photographs, transcripts or recordings and may charge a  
9 reasonable fee which does not exceed the actual cost of  
10 reproducing the item requested.

11 Section 6. ORDER FORMING DISTRICT--ELECTION.--

12 A. After the hearing, the governing body may adopt  
13 a resolution ordering that the district be formed, deleting  
14 any property determined not to be directly or indirectly  
15 benefited by the district or modifying the general plan and  
16 then ordering that an election be held on the question whether  
17 to form the district. A resolution ordering a formation of  
18 the district shall state that the district will be governed by  
19 a district board consisting of members of the governing body,  
20 ex officio or, upon determination of the governing body, five  
21 directors appointed by the governing body, and shall contain  
22 the names of the five initial directors and the terms of  
23 office of each. If the governing body appoints a district  
24 board, it shall appoint a treasurer and a clerk from the  
25 appointed members.

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1           B. A formation election shall include the owners  
2 unless a petition is presented to the governing body pursuant  
3 to Subsection I of Section 7 of the Public Improvement  
4 District Act. Each owner shall have the number of votes or  
5 portions of votes equal to the number of acres or portions of  
6 acres rounded upward to the nearest one-fifth of an acre owned  
7 by that owner in the submitted district. The question shall  
8 also be submitted to a vote of the resident qualified  
9 electors. The conduct of a formation election shall meet the  
10 requirements of Section 7 of the Public Improvement District  
11 Act.

12           Section 7. NOTICE AND CONDUCT OF ELECTION--WAIVER.--

13           A. Any election pursuant to the Public Improvement  
14 District Act shall be a nonpartisan election called by posting  
15 notices in three public places within the boundaries of the  
16 district not less than twenty days before the election.  
17 Notice shall also be published in a newspaper of general  
18 circulation in the municipality or county, or if there is no  
19 newspaper so circulated in the municipality, in a newspaper of  
20 general circulation in the county in which the municipality is  
21 located once a week for two consecutive weeks before the  
22 election. The notice shall state:

23                       (1) the place of holding the election and  
24 provisions for voting by mail, if any;

25                       (2) the hours during the day, not less than

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1 six, in which the polls will be open;

2 (3) if the election is a formation election,  
3 the boundaries of the proposed district;

4 (4) if the election is a bond election, the  
5 amount of bonds to be authorized for the district, the maximum  
6 rate of interest to be paid on the bonds and the maximum term  
7 of the bonds, not exceeding thirty years;

8 (5) if the election is a property tax levy  
9 election pursuant to Section 19 of the Public Improvement  
10 District Act, the maximum tax rate per one thousand dollars  
11 (\$1,000) of assessed valuation to be imposed, the purposes for  
12 which the revenues raised will be used and the existing  
13 maximum tax rate, if any;

14 (6) that a general plan is on file with the  
15 clerk; and

16 (7) the purposes for which the property taxes  
17 or the special levies will be imposed, and the revenues raised  
18 will be used, including a description of the public  
19 improvements to be financed with tax revenues, special levies,  
20 district revenues or bond proceeds.

21 B. The district board or, in the case of a  
22 formation election, the governing body, shall determine the  
23 date of the election and the polling places for the election  
24 and may consolidate county precincts. The district board or  
25 governing body may establish provisions for voting by mail.

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1           C. Voter lists shall be used to determine the  
2 resident qualified electors. If the district includes land  
3 lying partly in and partly out of any county election  
4 precinct, the voter lists may contain the names of all  
5 registered voters in the precinct, and the precinct boards at  
6 those precincts shall require that a prospective elector  
7 execute an affidavit stating that the elector is also a  
8 resident qualified elector.

9           D. For all elections held pursuant to the Public  
10 Improvement District Act, a prospective elector who is not a  
11 resident qualified elector shall execute an affidavit stating  
12 that the elector is the owner of land in the proposed district  
13 and stating the area of land in acres owned by the prospective  
14 elector. Precinct board members may administer oaths or take  
15 all affirmations for these purposes.

16           E. Except as otherwise provided by this section,  
17 the election shall comply with the general election laws of  
18 this state. The ballot material provided to each voter shall  
19 include:

20                   (1) for a formation election, an impartial  
21 description of the district improvements contemplated and a  
22 brief description of arguments for and against the formation  
23 of the district, if any;

24                   (2) for an election concerning the imposition  
25 of property taxes, an impartial description of the taxes to be

1 imposed, the method of apportionment, collection and  
2 enforcement and other details sufficient to enable each  
3 elector to determine the amount of tax it will be obligated to  
4 pay; a brief description of arguments for and against the  
5 imposition of taxes that are the subject of the election, if  
6 any; and a statement that the imposition of property taxes is  
7 for the provision of certain but not necessarily all public  
8 infrastructure improvements and services that may be needed or  
9 desirable within the district, and that other taxes, levies or  
10 assessments by other governmental entities may be presented  
11 for approval by owners and resident qualified electors; and

12 (3) for a formation election, the ballot,  
13 which shall pose the question to voted upon as "district, yes"  
14 and "district, no"; for a bond election, "bonds, yes" and  
15 "bonds, no"; for a property tax election, if no tax is in  
16 place, "property tax, yes" and "property tax, no"; and for an  
17 election to change an existing maximum or eliminate an  
18 existing tax, "tax change, yes" and "tax change, no",  
19 specifying the type of tax to which the proposed change  
20 pertains.

21 F. The governing body or, if after formation, the  
22 district board, may provide for the returns of the election to  
23 be made in person or by mail.

24 G. Within thirty days after an election, the  
25 governing body, or if after formation, the district board,

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1 shall meet and canvass the returns, determining the number of  
2 votes properly cast by owners and resident qualified electors.  
3 If a majority of the votes cast at the election is in favor of  
4 formation, issuing the bonds, imposing the tax or changing the  
5 tax, the district board shall enter that fact on its minutes.  
6 The canvass may be continued for an additional period not to  
7 exceed thirty days at the election of the governing body or  
8 district board for the purpose of completing the canvass.  
9 Failure of a majority to vote in favor of the matter submitted  
10 shall not prejudice the submission of the same or similar  
11 matters at a later election.

12 H. If a person listed on the assessment roll is no  
13 longer the owner of land in the district and the name of the  
14 successor owner becomes known and is verified by recorded deed  
15 or other similar evidence of transfer of ownership, the  
16 successor owner is deemed to be the owner for the purposes of  
17 the Public Improvement District Act.

18 I. Notwithstanding any other provision of the  
19 Public Improvement District Act, if a petition for formation  
20 is signed by owners of all of the land in the district  
21 described in the petition and is approved by the municipality,  
22 county, the municipality or county may waive any or all  
23 requirements of posting, publication, mailing, notice, hearing  
24 and owner election. On receipt of such a petition, and after  
25 approval by an election of resident qualified electors, if

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1 any, the municipality or county shall declare the district  
2 formed without being required to comply with the provisions of  
3 the Public Improvement District Act for posting, publication,  
4 mailing, notice, hearing or owner election.

5 J. If no person has registered to vote within the  
6 district within fifty days immediately preceding any scheduled  
7 election date, any election required to be held pursuant to  
8 the Public Improvement District Act shall be held by vote of  
9 the owners. Each owner shall have the number of votes or  
10 portion of votes equal to the number of acres or portion of  
11 acres rounded upward to the nearest one-fifth of an acre owned  
12 in the district by that owner.

13 K. In any election held pursuant to the Public  
14 Improvement District Act, an owner who is also a resident  
15 qualified elector shall have the number of votes or portion of  
16 votes to which he is entitled as an owner and shall not be  
17 entitled to an additional vote as a result of residing within  
18 the district.

19 Section 8. FORMATION--DEBT LIMITATION.--

20 A. If the formation of the district is approved by  
21 a majority of the votes cast at the election, the governing  
22 body shall cause a copy of the resolution ordering formation  
23 of the district to be delivered to the county assessor and the  
24 county in which the district is located and to the taxation  
25 and revenue department and the local government division of

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1 the department of finance and administration. A notice of the  
2 formation showing the number and date of the resolution and  
3 giving a description of the land included in the district  
4 shall be recorded with the county clerk.

5 B. Except as otherwise provided in this section, a  
6 district shall be a political subdivision of the state,  
7 separate and apart from the municipality or county. The  
8 amount of indebtedness evidenced by general obligation bonds  
9 issued pursuant to Section 19 of the Public Improvement  
10 District Act, special levy bonds issued pursuant to Section 20  
11 of that act and revenue bonds issued pursuant to Section 21 of  
12 that act shall not exceed the estimated cost of the public  
13 infrastructure improvements plus all costs connected with the  
14 public infrastructure purposes and issuance and sale of bonds,  
15 including, without limitation, formation costs, credit  
16 enhancement and liquidity support fees and costs. The total  
17 aggregate outstanding amount of bonds and any other  
18 indebtedness for which the full faith and credit of the  
19 district are pledged shall not exceed sixty percent of the  
20 market value of the real property and improvements in the  
21 district after the public infrastructure improvements of the  
22 district are completed plus the value of the public  
23 infrastructure owned or to be acquired by the district with  
24 the proceeds of the bonds, and shall not affect the general  
25 obligation bonding capacity of the municipality or county in

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1 which the district is located.

2 C. Bonds issued by a district shall not be a  
3 general obligation of the state, the county or the  
4 municipality in which the district is located and shall not  
5 pledge the full faith and credit of the state, the county or  
6 the municipality in which the district is located,  
7 irrespective of whether the district board is governed by the  
8 governing body of the county or municipality in which the  
9 district is located.

10 D. Following formation of the district, the  
11 district board shall administer in a reasonable manner the  
12 implementation of the general plan for the public  
13 infrastructure improvements of the district.

14 Section 9. APPOINTMENT OF DIRECTORS--QUALIFICATIONS--  
15 TERMS--RESUMPTION OF GOVERNANCE BY GOVERNING BODY.--

16 A. The governing body, at its option, may  
17 authorize the appointment of a separate district board. In  
18 the case of an appointed district board, three of the  
19 appointed directors shall serve an initial term of six years.  
20 Two of the appointed directors shall serve an initial term of  
21 four years. The resolution forming the district shall state  
22 which directors shall serve four-year terms and which shall  
23 serve six-year terms. If a vacancy occurs on the district  
24 board because of death, resignation or inability of the  
25 director to discharge the duties of director, the governing



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1 body shall appoint a director to fill the vacancy, who shall  
2 hold office for the remainder of the unexpired term until his  
3 successor is appointed or elected.

4 B. A director may be a director of more than one  
5 district.

6 C. At the end of the appointed directors' initial  
7 term, the governing body shall resume governance of the  
8 district as its board or, at its option, shall hold an  
9 election of new directors by majority vote of the residents of  
10 the district.

11 Section 10. POWERS OF A PUBLIC IMPROVEMENT DISTRICT. --

12 A. In addition to the powers otherwise granted to  
13 a district pursuant to the Public Improvement District Act,  
14 the district board, in implementing the general plan, may:

15 (1) enter into contracts and expend money for  
16 any public infrastructure purpose with respect to the  
17 district;

18 (2) enter into development agreements with  
19 municipalities, counties or other local government entities in  
20 connection with property located within the boundaries of the  
21 district;

22 (3) enter into intergovernmental agreements  
23 as provided in the Joint Powers Agreements Act for the  
24 planning, design, inspection, ownership, control, maintenance,  
25 operation or repair of public infrastructure or the provision

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1 of enhanced services by the municipality or the county in the  
2 district and any other purpose authorized by the Public  
3 Improvement District Act;

4 (4) sell, lease or otherwise dispose of  
5 district property if the sale, lease or conveyance is not a  
6 violation of the terms of any contract or bond covenant of the  
7 district;

8 (5) reimburse the municipality or county in  
9 which the district is located for providing enhanced services  
10 in the district;

11 (6) operate, maintain and repair public  
12 infrastructure;

13 (7) establish, impose and collect special  
14 levies for the purposes of funding public infrastructure  
15 improvements or enhanced services;

16 (8) employ staff, counsel and consultants;

17 (9) reimburse the municipality or county in  
18 which the district is located for staff and consultant  
19 services and support facilities supplied by the municipality  
20 or county;

21 (10) accept gifts or grants and incur and  
22 repay loans for any public infrastructure purpose;

23 (11) enter into agreements with owners  
24 concerning the advance of money by owners for public  
25 infrastructure purposes or the granting of real property by

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1 the owner for public infrastructure purposes;

2 (12) levy property taxes, impose special  
3 levies or fees and charges for any public infrastructure  
4 purpose on any real property located in the district and, in  
5 conjunction with the levy of such taxes, fees and charges, set  
6 and collect administrative fees;

7 (13) pay the financial, legal and  
8 administrative costs of the district;

9 (14) enter into contracts, agreements and  
10 trust indentures to obtain credit enhancement or liquidity  
11 support for its bonds and process the issuance, registration,  
12 transfer and payment of its bonds and the disbursement and  
13 investment of proceeds of the bonds;

14 (15) with the consent of the governing body  
15 of the municipality or county that formed the district, enter  
16 into agreements with persons outside of the district to  
17 provide enhanced services to persons and property outside of  
18 the district; and

19 (16) use public easements and rights of way  
20 in or across public property, roadways, highways, streets or  
21 other thoroughfares and other public easements and rights of  
22 way, whether in or out of the geographical limits of the  
23 district, the municipality or the county.

24 B. Public infrastructure improvements other than  
25 personalty may be located only in or on lands, easements or

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1 rights of way owned by the state, a county, a municipality or  
2 the district, whether in or out of the district, the  
3 municipality or the county.

4 C. An agreement pursuant to Paragraph (11) of  
5 Subsection A of this section may include agreements to repay  
6 all or part of such advances, fees and charges from the  
7 proceeds of bonds if issued or from advances, fees and charges  
8 collected from other owners or users or those having a right  
9 to use any public infrastructure. A person does not have  
10 authority to compel the issuance or sale of the bonds of the  
11 district or the exercise of any taxing power of the district  
12 to make repayment under any agreement.

13 D. Notwithstanding the provisions of the  
14 Procurement Code, or local procurement requirements that may  
15 otherwise be applicable to the municipality or county in which  
16 the district is located, the district board, whether appointed  
17 or composed of members of the governing body, ex officio, may  
18 enter into contracts to carry out any of the district's  
19 authorized powers, including the planning, design,  
20 engineering, financing, construction and acquisition of public  
21 improvements for the district, with a contractor, an owner or  
22 other person or entity, on such terms and with such persons as  
23 the district board determines to be appropriate.

24 Section 11. PERPETUAL SUCCESSION. -- The district has  
25 perpetual succession until terminated pursuant to Section 24

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1 of the Public Improvement District Act.

2 Section 12. RECORDS-- BOARD OF DIRECTORS-- OPEN  
3 MEETINGS. --

4 A. The district shall keep the following records,  
5 which shall be open to public inspection:

- 6 (1) minutes of all meetings of the district  
7 board;
- 8 (2) all resolutions;
- 9 (3) accounts showing all money received and  
10 disbursed;
- 11 (4) the annual budget; and
- 12 (5) all other records required to be  
13 maintained by law.

14 B. The district board shall appoint a clerk and  
15 treasurer for the district.

16 Section 13. CHANGE IN DISTRICT BOUNDARIES OR GENERAL  
17 PLAN. --

18 A. After the formation election, an area may be  
19 deleted from the district only following a hearing on notice  
20 to the owners of land in the district given in the manner  
21 prescribed for the formation hearing, adoption of a resolution  
22 of intention to do so by the district board and voter approval  
23 by the owners and resident qualified electors as provided in  
24 Sections 6 and 7 of the Public Improvement District Act.  
25 Lands within the district that are subject to the lien of

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1 property taxes, special levies or other charges imposed  
2 pursuant to the Public Improvement District Act shall not be  
3 deleted from the district while there are bonds outstanding  
4 that are payable by such taxes, special levies or charges.

5 B. At any time after adoption of a resolution  
6 creating a district, an area may be added to the district upon  
7 the approval of the owners of land in the proposed addition  
8 area and the resident qualified electors residing therein, as  
9 well as the owners of land in the district and the resident  
10 qualified electors, in the same manner as required for the  
11 formation of a district.

12 C. The district board, following a hearing on  
13 notice to the owners of real property located in the district  
14 given in the manner prescribed for the formation hearing, may  
15 amend the general plan in any manner that it determines will  
16 not substantially reduce the benefits to be received by any  
17 land in the district from the public infrastructure on  
18 completion of the work to be performed under the general plan.  
19 No election shall be required solely for the purposes of this  
20 subsection.

21 Section 14. PARTICIPATION BY MUNICIPALITY OR  
22 COUNTY. --The governing body of the municipality or county by  
23 resolution may summarily provide public services to the  
24 district or participate in the costs of any public  
25 infrastructure purpose.

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1           Section 15.   OTHER DISTRICTS OR IMPROVEMENTS. -- The  
2   formation of a district pursuant to the Public Improvement  
3   District Act shall not prevent the subsequent establishment of  
4   similar districts or the improvement or assessment of land in  
5   the district by the municipality or county or the exercise by  
6   the municipality or county of any of its powers on the same  
7   basis as on all other land in its corporate boundaries.

8           Section 16.   PROJECT APPROVAL. -- Before constructing or  
9   acquiring any public infrastructure, the district board shall  
10   cause a study of the feasibility and benefits of the public  
11   infrastructure improvement project to be prepared, which shall  
12   include a description of the public infrastructure improvement  
13   to be constructed or acquired and enhanced services to be  
14   provided and estimated costs thereof, if any, and other  
15   information reasonably necessary to understand the project, a  
16   map showing, in general, the location of the project within  
17   the district, an estimate of the cost to construct, acquire,  
18   operate and maintain the project, an estimated schedule for  
19   completion of the project, a map or description of the area to  
20   be benefited by the project and a plan for financing the  
21   project. For public infrastructure improvement projects  
22   undertaken by a district after formation, the district board  
23   shall hold a public hearing on the study and provide notice of  
24   the hearing by publication not less than two weeks in advance  
25   in the official newspaper of the municipality or county or, if

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1 there are none in the municipality or county, a newspaper of  
2 general circulation in the county. If the district board is  
3 composed of members other than the governing body, the notice  
4 shall be mailed to the governing body of the municipality or  
5 county in which the district is located. After the hearing,  
6 the district board may reject, amend or approve the report.  
7 If the report is amended substantially, a new hearing shall be  
8 held before approval. If the report is approved, the district  
9 board shall adopt a resolution approving the public  
10 infrastructure improvement of the project, identifying the  
11 areas benefited, the expected method of financing and an  
12 appropriate system of providing revenues to operate and  
13 maintain the project.

14 Section 17. FINANCES. --The projects to be constructed or  
15 acquired as shown in the general plan may be financed from the  
16 following sources of revenue:

- 17 A. proceeds received from the sale of bonds of the  
18 district;
- 19 B. money of the municipality or county contributed  
20 to the district;
- 21 C. annual property taxes or special levies;
- 22 D. state or federal grants or contributions;
- 23 E. private contributions;
- 24 F. user, landowner and other fees and charges;
- 25 G. proceeds of loans or advances; and



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1                   H. any other money available to the district by  
2 law.

3                   Section 18. RECORDING DOCUMENTS. --The district shall  
4 file and record with the county clerk the resolution ordering  
5 formation of the district, the general plan of the district  
6 and the canvass of any general obligation bond election.

7                   Section 19. GENERAL OBLIGATION BONDS--TAX LEVY--  
8 EXCEPTION. --

9                   A. At any time after the hearing on formation of  
10 the district, the district board, or, if before formation, the  
11 governing body, may from time to time order and call a general  
12 obligation bond election to submit to the owners and resident  
13 qualified electors the question of authorizing the district to  
14 issue general obligation bonds of the district to provide  
15 money for any public infrastructure purposes consistent with  
16 the general plan. The election may be held in conjunction  
17 with the formation election.

18                   B. If general obligation bonds are approved at an  
19 election, the district board may issue and sell general  
20 obligation bonds of the district.

21                   C. Bonds may be sold in a public offering or in a  
22 negotiated sale.

23                   D. After the bonds are issued, the district board  
24 shall enter in its minutes a record of the bonds sold and  
25 their numbers and dates and shall annually levy and cause a

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1 property tax to be collected, at the same time and in the same  
2 manner as other property taxes are levied and collected on all  
3 taxable property in the district, sufficient, together with  
4 any money from the sources described in Section 17 of the  
5 Public Improvement District Act to pay debt service on the  
6 bonds when due. Money derived from the levy of property taxes  
7 that are pledged to pay the debt service on the bonds shall be  
8 kept separately from other funds of the district. Property  
9 tax revenues not pledged to pay debt service on bonds may be  
10 used to pay other costs of the district, including costs of  
11 formation, administration, operation and maintenance, services  
12 or enhanced services. A district's levy of property taxes  
13 shall constitute a lien on all taxable property within the  
14 district, including, without limitation, all leased property  
15 or improvements to leased land, which shall be subject to  
16 foreclosure in the same manner as other property tax liens  
17 under the laws of this state. The lien shall include  
18 delinquencies and interest thereon at a rate not to exceed ten  
19 percent per year, the actual costs of foreclosure and any  
20 other costs of the district resulting from the delinquency.  
21 The proceeds of any foreclosure sale shall be deposited in the  
22 special bond fund for payment of any obligations secured  
23 thereby.

24 E. Subject to the election requirements of this  
25 section, a district may issue general obligation bonds at such

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1 times and in such amounts as the district deems appropriate to  
2 carry out a project or projects in phases.

3 F. Pursuant to this section, the district may  
4 issue and sell refunding bonds to refund general obligation  
5 bonds of the district authorized by the Public Improvement  
6 District Act. No election is required in connection with the  
7 issuance and sale of refunding bonds. Refunding bonds issued  
8 pursuant to this section shall have a final maturity date no  
9 later than the final maturity date of the bonds being  
10 refunded.

11 Section 20. SPECIAL LEVY-- BONDS-- IMPOSITION. --

12 A. At any time after the hearing on formation of  
13 the district, the district board may from time to time order  
14 that a hearing be held to determine whether a special levy  
15 should be imposed and special levy bonds issued to provide  
16 money for any public infrastructure purpose consistent with  
17 the general plan. The question of imposing a special levy may  
18 be considered at the hearing on district formation upon notice  
19 that both issues will be heard at that time, which notice  
20 shall include the information required in Subsection B of this  
21 section.

22 B. Notice of hearing shall be provided at least  
23 two weeks in advance of the hearing itself in a newspaper of  
24 general circulation in the municipality or county in which the  
25 district is located. The notice shall include the following:

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1 (1) a description of the method by which the  
2 amount of the proposed special levy will be determined for  
3 each class of property to which the levy is proposed to apply,  
4 in sufficient detail to enable the owner of the affected  
5 parcel to determine the amount of the special levy;

6 (2) a description of the project to be  
7 financed with special levy bonds or revenues; and

8 (3) a statement that any person affected by  
9 the proposed special levy may object in writing or in person  
10 at the hearing.

11 C. Special levy bonds may be sold in a public  
12 offering or in a negotiated sale.

13 D. After the bonds are issued, the district board  
14 shall enter in its minutes a record of the bonds sold and  
15 their numbers and dates and shall annually impose and cause a  
16 special levy to be collected, at the same time and in the same  
17 manner as property taxes are levied and collected on all  
18 property within the district that may be subject to the levy,  
19 including, without limitation, all leased property or  
20 improvements to leased land, sufficient, together with any  
21 other money lawfully available to pay debt service on the  
22 bonds when due, except to the extent that the district board  
23 has provided for other imposition, collection and foreclosure  
24 procedures in connection with special levies. Money derived  
25 from the imposition of the special levy when collected that is

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1 pledged to pay the debt service on the bonds shall be kept  
2 separately from other funds of the district. Special levy  
3 revenues not pledged to pay debt service on bonds may be used  
4 to pay other costs of the district, including costs of  
5 formation, administration, operation and maintenance, service  
6 or enhanced services.

7 E. The district board shall specify conditions  
8 under which the obligation to pay special levies may be  
9 prepaid and permanently satisfied.

10 F. Special levies against privately owned  
11 residential property shall be subject to the following  
12 provisions:

13 (1) the maximum amount of special levy that  
14 may be imposed shall not be increased over time by an amount  
15 exceeding two percent per year, except that the amount of  
16 special levy actually imposed may be increased by up to ten  
17 percent as a result of the delinquency or default by the owner  
18 of any other parcel within the district;

19 (2) the special levy shall be imposed for a  
20 specified time period, after which no further special levy  
21 shall be imposed and collected, except that special levies  
22 imposed solely to finance the cost of ongoing district  
23 services, maintenance or operations or enhanced services may  
24 be levied while such services, maintenance or operations or  
25 enhanced services are continuing; and

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1 (3) nothing in this subsection shall preclude  
2 the establishment of different categories of residential  
3 property or changing the amount of the special levies for a  
4 parcel whose size or use is changed. A change in the amount  
5 of a special levy imposed upon a parcel due to a change in its  
6 size or use shall not require voter approval if the method for  
7 changing the amount of special levy was approved in the  
8 election approving the special levy in sufficient detail to  
9 enable the owner of the affected parcel to determine how the  
10 change in size or use of the parcel would affect the amount of  
11 the special levy.

12 G. A district's imposition of a special levy shall  
13 constitute a lien on the property within the district subject  
14 to the special levy, including property acquired by the state  
15 or its political subdivisions after imposition of the special  
16 levy, which shall be effective during the period in which the  
17 special levy is imposed and shall have priority co-equal to  
18 the lien of property taxes. A special levy shall be subject  
19 to foreclosure by the district at any time after six months  
20 following written notice of delinquency to the owner of the  
21 real property to which the delinquency applies. The lien  
22 shall include delinquencies, penalties and interest thereon at  
23 a rate not to exceed the maximum legal rate of interest per  
24 year and penalties otherwise applicable for delinquent  
25 property taxes, the district's actual costs of foreclosure and

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1 any other costs of the district resulting from the  
2 delinquency. All rights of redemption applicable to property  
3 sold in connection with property tax foreclosures pursuant to  
4 the laws of this state shall apply to property sold following  
5 foreclosure of a special levy lien. The portion of proceeds  
6 of any foreclosure sale necessary to discharge the lien for  
7 the special levy shall be deposited in the special bond fund  
8 for payment of any obligations secured thereby.

9 H. No holder of special levy bonds issued pursuant  
10 to the Public Improvement District Act may compel any exercise  
11 of the taxing power of the district, municipality or county to  
12 pay the bonds or the interest on the bonds. Special levy  
13 bonds issued pursuant to that act are not a debt of the  
14 district, municipality or county, nor is the payment of  
15 special levy bonds enforceable out of any money other than the  
16 revenue pledged to the payment of the bonds.

17 I. Subject to the requirements of this section, a  
18 district may issue special levy bonds at such times and in  
19 such amounts as the district deems appropriate to carry out a  
20 project or projects in phases.

21 J. Pursuant to this section, the district may  
22 issue and sell refunding bonds to refund any special levy  
23 bonds of the district authorized by the Public Improvement  
24 District Act. Refunding bonds issued pursuant to this section  
25 shall have a final maturity date no later than the final

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1 maturity date of the bonds being refunded.

2 Section 21. REVENUE BONDS--FEES AND CHARGES.--

3 A. At any time after the hearing on formation of  
4 the district, the district board may hold a hearing on the  
5 question of authorizing the district board to issue one or  
6 more series of revenue bonds of the district to provide money  
7 for any public infrastructure purposes consistent with the  
8 general plan.

9 B. If revenue bonds are approved by resolution,  
10 the district board may issue and sell revenue bonds of the  
11 district.

12 C. The revenue bonds may be sold in a public  
13 offering or in a negotiated sale; however, if the bonds are to  
14 be sold in a public offering, no revenue bonds may be issued  
15 by the district unless the revenue bonds receive one of the  
16 four highest investment grade ratings by a nationally  
17 recognized bond rating agency.

18 D. The district board may pledge to the payment of  
19 its revenue bonds any revenues of the district or revenues to  
20 be collected by the municipality or county in trust for the  
21 district and returned to the district.

22 E. The district shall prescribe fees and charges,  
23 and shall revise them when necessary, to generate revenue  
24 sufficient, together with any money from the sources described  
25 in Section 17 of the Public Improvement District Act, to pay



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1 when due the principal and interest of all revenue bonds for  
2 the payment of which revenue has been pledged. The  
3 establishment or revision of any rates, fees and charges shall  
4 be identified and noticed concurrently with the annual budget  
5 process of the district pursuant to Section 23 of the Public  
6 Improvement District Act.

7 F. If, in the resolution of the district board,  
8 the revenues to be pledged are limited to certain types of  
9 revenues, only those types of revenues may be pledged and only  
10 those revenues shall be maintained.

11 G. No holder of revenue bonds issued pursuant to  
12 the Public Improvement District Act may compel any exercise of  
13 the taxing power of the district, municipality or county to  
14 pay the bonds or the interest on the bonds. Revenue bonds  
15 issued pursuant to that act are not a debt of the district,  
16 municipality or county, nor is the payment of revenue bonds  
17 enforceable out of any money other than the revenue pledged to  
18 the payment of the bonds.

19 H. Subject to the requirements of this section, a  
20 district may issue revenue bonds at such times and in such  
21 amounts as the district deems appropriate to carry out a  
22 project in phases.

23 I. Pursuant to this section, the district may  
24 issue and sell refunding bonds to refund revenue bonds of the  
25 district authorized by the Public Improvement District Act.

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1 Refunding bonds issued pursuant to this section shall have a  
2 final maturity date no later than the final maturity date of  
3 the bonds being refunded.

4 Section 22. TERMS OF BONDS. -- For any bonds issued in  
5 connection with Section 19, 20 or 21 of the Public Improvement  
6 District Act, the district board shall prescribe the  
7 denominations of the bonds, the principal amount of each issue  
8 and the form of the bonds and shall establish the maturities,  
9 which shall not exceed thirty years, interest payment dates  
10 and interest rates, whether fixed or variable, not exceeding  
11 the maximum rate stated in the notice of the election or the  
12 resolution of the district board. The bonds may be sold by  
13 competitive bid or negotiated sale for public or private  
14 offering at, below or above par. The proceeds of the bonds  
15 shall be deposited with the treasurer, or with a trustee or  
16 agent designated by the district board, to the credit of the  
17 district to be withdrawn for the purposes provided by the  
18 Public Improvement District Act. Pending that use, the  
19 proceeds may be invested as determined by the district. The  
20 bonds shall be made payable as to both principal and interest  
21 solely from revenues of the district, and shall specify the  
22 revenues pledged for such purposes, and shall contain such  
23 other terms, conditions, covenants and agreements as the  
24 district board deems proper. The bonds may be payable from  
25 any combination of taxes, levies or revenues of the types

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1 described in Sections 19, 20 and 21 of the Public Improvement  
2 District Act.

3 Section 23. DISTRICT TAXES--ANNUAL FINANCIAL ESTIMATE--  
4 ANNUAL FINANCIAL ESTIMATE AND BUDGET--CERTIFICATION TO LOCAL  
5 GOVERNMENT DIVISION.--

6 A. All property taxes for the operation and  
7 maintenance expenses of the district shall not exceed an  
8 amount equal to three dollars (\$3.00) per one thousand dollars  
9 (\$1,000) of net taxable value for all real and personal  
10 property in the district, unless a higher rate is approved by  
11 a vote of the resident qualified electors and owners, voting  
12 at an election not less than three years after the date of the  
13 formation of the district.

14 B. Once approved at an election or, in the case of  
15 a special levy, by resolution of the district board, the  
16 maximum rate of a property tax shall remain in effect until  
17 increased or decreased at a subsequent election, and the  
18 maximum rate of a special levy shall remain in effect until  
19 increased or decreased by resolution of the district board at  
20 a subsequent hearing.

21 C. If a maximum property tax rate is in effect,  
22 the district board, on petition of twenty-five percent of the  
23 resident qualified electors, or by the owners of twenty-five  
24 percent of the land area of the district, shall call an  
25 election to reduce the maximum tax rate but not below the

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1 lesser of that rate determined by the district board to be  
2 necessary to maintain the district's facilities and  
3 improvements where the tax was authorized for operation and  
4 maintenance, or the actual rate then in effect, but in no  
5 event shall the rate be reduced below the rate necessary to  
6 satisfy the district's obligations in connection with any  
7 outstanding bonds issued pursuant to the Public Improvement  
8 District Act.

9 D. If a maximum special levy is in effect, the  
10 district board, on petition of twenty-five percent of the  
11 resident qualified electors, or by the owners of twenty-five  
12 percent of the land area of the district, shall hold a hearing  
13 to determine whether to reduce the maximum special levy but  
14 not below the lesser of that rate determined by the district  
15 board to be necessary to maintain the district's facilities  
16 and improvements, where the special levy was authorized for  
17 operation and maintenance, or the actual rate then in effect,  
18 but in no event shall the rate be reduced below the rate  
19 necessary to satisfy the district's obligations in connection  
20 with any outstanding bonds issued pursuant to the Public  
21 Improvement District Act.

22 E. Upon presentation to the district board of a  
23 petition signed by the owners of a majority of the property in  
24 the district, the district board shall adopt a resolution to  
25 reduce or eliminate the portion of the tax or special levy,

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1 beginning the next fiscal year, required for one or more  
2 services or enhanced services specified in the petition.  
3 Signatures on a petition to reduce or eliminate a tax or  
4 special levy shall be valid for a period of sixty days.

5 F. When levying property tax or imposing a special  
6 levy, the district board shall make annual statements and  
7 estimates of the operation and maintenance expenses of the  
8 district, the costs of public improvements to be financed by  
9 the taxes or special levy and the amount of all other  
10 expenditures for public infrastructure improvements and  
11 enhanced services proposed to be paid from the taxes or  
12 special levy and of the amount to be raised to pay general  
13 obligation bonds of the district or special levy bonds, all of  
14 which shall be provided for by the levy and collection of  
15 property taxes on the net taxable value of the real property  
16 in the district or by the imposition and collection of special  
17 levies. The district board shall file the annual statements  
18 and estimates with the clerk. The district board shall  
19 publish a notice of the filing of the estimate, shall hold  
20 hearings on the portions of the estimate not relating to debt  
21 service on general obligation bonds or special levy bonds and  
22 shall adopt a budget. The district board, on or before the  
23 date set by law for certifying the annual budget of the  
24 municipality or county, shall fix, levy and assess the amounts  
25 to be raised by property taxes or special levies of the

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1 district and shall cause certified copies of the order to be  
2 delivered to the local government division of the department  
3 of finance and administration. All statutes relating to the  
4 levy and collection of property taxes, including the  
5 collection of delinquent taxes and sale of property for  
6 nonpayment of taxes, apply to district property taxes and to  
7 special levies, except to the extent that the district board  
8 has provided for other imposition, collection and foreclosure  
9 procedures in connection with special levies.

10 Section 24. DISSOLUTION OF DISTRICT. --

11 A. The district shall be dissolved by the district  
12 board by a resolution of the district board upon a  
13 determination that each of the following conditions exist:

14 (1) all improvements owned by the district  
15 have been, or provision has been made for all improvements to  
16 be, conveyed to the municipality or county in which the  
17 district is located;

18 (2) either the district has no outstanding  
19 bond obligations or the municipality or county has assumed all  
20 of the outstanding bond obligations of the district; and

21 (3) all obligations of the district pursuant  
22 to any development agreement with the municipality or county  
23 have been satisfied.

24 B. All property in the district that is subject to  
25 the lien of district taxes or special levies shall remain

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1 subject to the lien for the payment of general obligation  
2 bonds and special levy bonds, notwithstanding dissolution of  
3 the district. The district shall not be dissolved if any  
4 revenue bonds of the district remain outstanding unless an  
5 amount of money sufficient, together with investment income  
6 thereon, to make all payments due on the revenue bonds either  
7 at maturity or prior redemption has been deposited with a  
8 trustee or escrow agent and pledged to the payment and  
9 redemption of the bonds. The district may continue to operate  
10 after dissolution only as needed to collect money and make  
11 payments on any outstanding bonds.

12 Section 25. LIMITATION OF LIABILITY.--Neither any member  
13 of the board of directors of a district nor any person acting  
14 on behalf of the district, while acting within the scope of  
15 his authority, shall be subject to any personal liability for  
16 any action taken or omitted within that scope of authority.

17 Section 26. CUMULATIVE AUTHORITY.--The Public  
18 Improvement District Act shall be deemed to provide an  
19 additional and alternative method for the doing of things  
20 authorized by that act and shall be regarded as supplemental  
21 and additional to powers conferred by other laws and shall not  
22 be regarded as in derogation of any powers now existing;  
23 provided that the issuance of bonds under the provisions of  
24 the Public Improvement District Act need not comply with the  
25 requirements of any other law applicable to the issuance of

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1 bonds.

2 Section 27. LIBERAL INTERPRETATION. -- The Public  
3 Improvement District Act, being necessary for the welfare of  
4 the state and its inhabitants, shall be liberally construed to  
5 effect the purposes of that act.

6 Section 28. SEVERABILITY. -- If any part or application of  
7 the Public Improvement District Act is held invalid, the  
8 remainder or its application to other situations shall not be  
9 affected.

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