

**TAX INCREMENT FINANCING OF
REDEVELOPMENT AGENCIES**

1998 GENERAL SESSION

STATE OF UTAH

Sponsor: L. Alma Mansell

AN ACT RELATING TO SPECIAL DISTRICTS; EXPANDING THE PERMITTED USES OF CERTAIN TAX INCREMENT FUNDS; AND PROVIDING AN EFFECTIVE DATE.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

17A-2-1247, as last amended by Chapter 183, Laws of Utah 1996

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

Section 1. Section **17A-2-1247** is amended to read:

17A-2-1247. Tax increment financing authorized -- Division of tax revenues -- Greater allocation allowed if authorized by taxing agency.

(1) This section applies to projects for which a preliminary plan has been prepared prior to April 1, 1993, and for which all of the following have occurred prior to July 1, 1993: the agency blight study has been completed, and a hearing under Section 17A-2-1221 has in good faith been commenced by the agency.

(2) Any redevelopment plan may contain a provision that taxes, if any, levied upon taxable property in a redevelopment project each year by or for the benefit of the state, any city, county, city and county, district, or other public corporation (hereinafter sometimes called "taxing agencies") after the effective date of the ordinance approving the redevelopment plan, shall be divided as follows:

(a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the taxable value of the taxable property in the redevelopment project as shown upon the assessment roll used in connection with the taxation of the property by the taxing agency, last equalized prior to the effective date of the ordinance, shall be allocated to and when collected shall be paid into the funds of the respective taxing agencies as taxes by or for the taxing agencies on all other property are

paid (for the purpose of allocating taxes levied by or for any taxing agency or agencies which did not include the territory in a redevelopment project on the effective date of the ordinance but to which the territory has been annexed or otherwise included after the effective date, the assessment roll of the county last equalized on the effective date of the ordinance shall be used in determining the taxable value of the taxable property in the project on the effective date).

(b) In a redevelopment project with a redevelopment plan adopted before April 1, 1983, that portion of the levied taxes each year in excess of the amount allocated to and when collected paid into the funds of the respective taxing agencies under Subsection (2)(a) shall be allocated to and when collected shall be paid into a special fund of the redevelopment agency to pay the principal of and interest on loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by the redevelopment agency before April 1, 1983, to finance or refinance, in whole or in part, the redevelopment project. Payment of tax revenues to the redevelopment agency shall be subject to and shall except uncollected or delinquent taxes in the same manner as payments of taxes to other taxing agencies are subject to collection. Unless and until the total taxable value of the taxable property in a redevelopment project exceeds the total taxable value of the taxable property in the project as shown by the last equalized assessment roll referred to in Subsection (2)(a), all of the taxes levied and collected upon the taxable property in the redevelopment project shall be paid into the funds of the respective taxing agencies. When the loans, advances, and indebtedness, if any, and any interest have been paid, all moneys received from taxes upon the taxable property in the redevelopment project shall be paid into the funds of the respective taxing agencies as taxes on all other property are paid.

(c) Notwithstanding the provisions of Subsections (2)(a) and (e), Subsection 17A-2-1210(5), or any other provision of this part, any loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) issued prior to April 1, 1983, may be refinanced and repaid from 100% of that portion of the levied taxes paid into the special fund of the redevelopment agency each year in excess of the amount allocated to and when collected paid into the funds of the respective taxing agencies under Subsection (2)(a) if the principal amount of loans, moneys advanced to, or indebtedness is not increased in the refinancing.

(d) In a redevelopment project with a redevelopment plan adopted before April 1, 1983, that portion of the levied taxes each year in excess of the amount allocated to and when collected paid into the funds of the respective taxing agencies under Subsection (2)(a) shall be allocated to and when collected shall be paid into a special fund of the redevelopment agency according to the limits established in Subsection (2)(f) to pay the principal of and interest on loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by the redevelopment agency after April 1, 1983, to finance or refinance, in whole or in part, the redevelopment project. Payment of tax revenues to the redevelopment agency shall be subject to and shall except uncollected or delinquent taxes in the same manner as payments of taxes to other taxing agencies are subject to collection. Unless and until the total taxable value of the taxable property in a redevelopment project exceeds the total taxable value of the taxable property in the project as shown by the last equalized assessment roll referred to in Subsection (2)(a), all of the taxes levied and collected upon the taxable property in the redevelopment project shall be paid into the funds of the respective taxing agencies. When the loans, advances, and indebtedness, if any, and any interest have been paid, all moneys received from taxes upon the taxable property in the redevelopment project shall be paid into the funds of the respective taxing agencies as taxes on all other property are paid.

(e) In a redevelopment project with a redevelopment plan adopted after April 1, 1983, that portion of the levied taxes each year in excess of the amount allocated to and when collected paid into the funds of the respective taxing agencies under Subsection (2)(a) shall be allocated to and when collected shall be paid into a special fund of the redevelopment agency according to the limits established in Subsection (2)(f) to pay the principal of and interest on loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by the redevelopment agency after April 1, 1983, to finance or refinance, in whole or in part, the redevelopment project. Payment of tax revenues to the redevelopment agency shall be subject to and shall except uncollected or delinquent taxes in the same manner as payments of taxes to other taxing agencies are subject to collection. Unless and until the total taxable value of the taxable property in a redevelopment project exceeds the total taxable value of the taxable property in the project as shown

by the last equalized assessment roll referred to in Subsection (2)(a), all of the taxes levied and collected upon the taxable property in the redevelopment project shall be paid into the funds of the respective taxing agencies. When the loans, advances, and indebtedness, if any, and any interest have been paid, all moneys received from taxes upon the taxable property in the redevelopment project shall be paid into the funds of the respective taxing agencies as taxes on all other property are paid.

(f) For purposes of Subsections (2)(d) and (e), the maximum amounts which shall be allocated to and when collected shall be paid into the special fund of a redevelopment agency may not exceed the following percentages:

(i) for a period of the first five tax years commencing from the first tax year a redevelopment agency accepts an amount allocated to and when collected paid into a special fund of the redevelopment agency to pay the principal of and interest on loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) which loans, advances, or indebtedness are incurred by the redevelopment agency after April 1, 1983, 100% of that portion of the levied taxes each year in excess of the amount allocated to and when collected paid into the funds of the respective taxing agencies under Subsection (2)(a);

(ii) for a period of the next five tax years 80% of that portion of the levied taxes each year in excess of the amount allocated to and when collected paid into the funds of the respective taxing agencies under Subsection (2)(a);

(iii) for a period of the next five tax years 75% of that portion of the levied taxes each year in excess of the amount allocated to and when collected paid into the funds of the respective taxing agencies under Subsection (2)(a);

(iv) for a period of the next five tax years 70% of that portion of the levied taxes each year in excess of the amount allocated to and when collected paid into the funds of the respective taxing agencies under Subsection (2)(a); and

(v) for a period of the next five tax years 60% of that portion of the levied taxes each year in excess of the amount allocated to and when collected paid into the funds of the respective taxing agencies under Subsection (2)(a).

(g) (i) In addition to the maximum amounts which shall be allocated to and when collected shall be paid into the special fund of a redevelopment agency as described in Subsection (2)(f), a redevelopment agency established by the governing body of a first class city may receive the following additional percentages (which shall be allocated to and when collected shall be paid into the special fund of a redevelopment agency) which are greater than those described in Subsection (2)(f) if the amount of the tax increment funding received from the greater percentage is used solely to pay all or part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement of a publicly or privately-owned convention center or sports complex, including parking and infrastructure improvements related to such convention center or sports complex or is used solely to pay all or part of the cost of the installation and construction of an underpass that has not received funding from the Centennial Highway Trust Fund under Section 63-49-22 as part of the construction of Interstate 15: for a period of the first 32 years commencing from the first tax year a redevelopment agency accepts an amount allocated to and when collected paid into a special fund of the redevelopment agency to pay the principal of and interest on loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) which loans, advances, or indebtedness are incurred by the redevelopment agency after April 1, 1983, 100% of that portion of the levied taxes each year in excess of the amount allocated to and when collected paid into the funds of the respective taxing agencies under Subsection (2)(a).

(ii) This Subsection (2)(g) applies only to a redevelopment agency in whose project area construction has begun on a building, facility, structure, or other improvement of a publicly or privately-owned convention center or sports complex, including parking and infrastructure improvements related to such convention center or sports complex, on or before June 30, 1997, or in whose project area construction has begun on or before June 30, 1998, on an underpass that has not received funding from the Centennial Highway Trust Fund under Section 63-49-22 as part of the construction of Interstate 15.

(iii) If any additional amount described in Subsection (2)(g)(i) is not pledged to pay all or part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement described in Subsection (2)(g)(i) on or before June 30, 1997,

or is not pledged on or before June 30, 1998, to pay all or part of the cost of the installation and construction of an underpass that has not received funding from the Centennial Highway Trust Fund under Section 63-49-22 as part of the construction of Interstate 15, such additional amount may no longer be allocated to or used by the redevelopment agency, notwithstanding any other law to the contrary.

(3) Nothing contained in Subsections (2)(d), (e), (f), and (g) prevents an agency from receiving a greater percentage than those established in Subsections (2)(f) and (g) of the levied taxes of any local taxing agency each year in excess of the amount allocated to and when collected paid into the funds of the respective local taxing agency if the governing body of the local taxing agency consents in writing.

Section 2. Effective date.

If approved by two-thirds of all the members elected to each house, this act takes effect upon approval by the governor, or the day following the constitutional time limit of Utah Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto, the date of veto override.