RECODIFICATION AND AMENDMENTS OF REDEVELOPMENT AGENCIES STATUTES

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: Wayne A. Harper

This act modifies Special Districts provisions by repealing, reenacting, and rewriting statutory provisions relating to redevelopment agencies. The act modifies the procedure to create an agency and clarifies the distinction between an agency and the community that creates the agency. The act expands the group of agencies that qualify to use certain tax increment funds and modifies the role of the taxing entity committee. The act modifies and clarifies the process for adopting a project area plan and a project area budget and clarifies the uses of tax increment. The act eliminates a restriction on the adoption of a project area budget. The act modifies and clarifies definitions, including the definition of blight, and clarifies the distinctions among and the requirements and other provisions applicable to redevelopment, economic development, and education housing development. The act streamlines the provisions relating to agency bonds. The act clarifies notice and hearing provisions and provisions relating to owner's rights. This act takes effect June 1, 2001.

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

AMENDS:

9-4-704, as last amended by Chapter 286, Laws of Utah 2000

10-3-1303, as last amended by Chapter 280, Laws of Utah 1992

11-25-3, as last amended by Chapter 30, Laws of Utah 1992

11-25-5, as last amended by Chapter 30, Laws of Utah 1992

11-25-11, as last amended by Chapter 50, Laws of Utah 1993

51-2-8, as last amended by Chapter 198, Laws of Utah 1981

59-2-906.1, as last amended by Chapters 19 and 322, Laws of Utah 1998

59-2-924, as last amended by Chapters 22, 61, 141 and 199, Laws of Utah 2000

ENACTS:

17B-4-101, Utah Code Annotated 1953

17B-4-102, Utah Code Annotated 1953

17B-4-103, Utah Code Annotated 1953

17B-4-104, Utah Code Annotated 1953

17B-4-105, Utah Code Annotated 1953

17B-4-201, Utah Code Annotated 1953

17B-4-202, Utah Code Annotated 1953

17B-4-203, Utah Code Annotated 1953

17B-4-204, Utah Code Annotated 1953

17B-4-205, Utah Code Annotated 1953

17B-4-206, Utah Code Annotated 1953

17B-4-301, Utah Code Annotated 1953

17B-4-302, Utah Code Annotated 1953

17B-4-303, Utah Code Annotated 1953

17B-4-401, Utah Code Annotated 1953

17B-4-402, Utah Code Annotated 1953

17B-4-403, Utah Code Annotated 1953

17B-4-404, Utah Code Annotated 1953

17B-4-405, Utah Code Annotated 1953

17B-4-406, Utah Code Annotated 1953

17B-4-407, Utah Code Annotated 1953

17B-4-408, Utah Code Annotated 1953

17B-4-409, Utah Code Annotated 1953

17B-4-410, Utah Code Annotated 1953

17B-4-411, Utah Code Annotated 1953

17B-4-501, Utah Code Annotated 1953

17B-4-502, Utah Code Annotated 1953

17B-4-503, Utah Code Annotated 1953

17B-4-504, Utah Code Annotated 1953

17B-4-505, Utah Code Annotated 1953

17B-4-506, Utah Code Annotated 1953

17B-4-507, Utah Code Annotated 1953

17B-4-601, Utah Code Annotated 1953

17B-4-602, Utah Code Annotated 1953

17B-4-603, Utah Code Annotated 1953

17B-4-604, Utah Code Annotated 1953

17B-4-605, Utah Code Annotated 1953

17B-4-701, Utah Code Annotated 1953

17B-4-702, Utah Code Annotated 1953

17B-4-703, Utah Code Annotated 1953

17B-4-704, Utah Code Annotated 1953

17B-4-705, Utah Code Annotated 1953

17B-4-801, Utah Code Annotated 1953

17B-4-802, Utah Code Annotated 1953

17B-4-901, Utah Code Annotated 1953

17B-4-902, Utah Code Annotated 1953

17B-4-1001, Utah Code Annotated 1953

17B-4-1002, Utah Code Annotated 1953

17B-4-1003, Utah Code Annotated 1953

17B-4-1004, Utah Code Annotated 1953

17B-4-1005, Utah Code Annotated 1953

17B-4-1006, Utah Code Annotated 1953

17B-4-1007, Utah Code Annotated 1953

17B-4-1008, Utah Code Annotated 1953

17B-4-1009, Utah Code Annotated 1953

17B-4-1010, Utah Code Annotated 1953

17B-4-1011, Utah Code Annotated 1953

17B-4-1101, Utah Code Annotated 1953

17B-4-1102, Utah Code Annotated 1953

17B-4-1103, Utah Code Annotated 1953

17B-4-1104, Utah Code Annotated 1953

17B-4-1201, Utah Code Annotated 1953

17B-4-1202, Utah Code Annotated 1953

17B-4-1203, Utah Code Annotated 1953

17B-4-1204, Utah Code Annotated 1953

17B-4-1205, Utah Code Annotated 1953

17B-4-1206, Utah Code Annotated 1953

17B-4-1207, Utah Code Annotated 1953

17B-4-1208, Utah Code Annotated 1953

17B-4-1301, Utah Code Annotated 1953

17B-4-1302, Utah Code Annotated 1953

17B-4-1303, Utah Code Annotated 1953

17B-4-1304, Utah Code Annotated 1953

17B-4-1305, Utah Code Annotated 1953

17B-4-1306, Utah Code Annotated 1953

17B-4-1401, Utah Code Annotated 1953

REPEALS:

17A-2-1201, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1202, as last amended by Chapter 320, Laws of Utah 1995

17A-2-1203, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1204, as repealed and reenacted by Chapter 50, Laws of Utah 1993

17A-2-1205, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1206, as last amended by Chapter 249, Laws of Utah 1996

17A-2-1207, as repealed and reenacted by Chapter 50, Laws of Utah 1993

17A-2-1208, as repealed and reenacted by Chapter 50, Laws of Utah 1993

17A-2-1209, as repealed and reenacted by Chapter 50, Laws of Utah 1993

17A-2-1210, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1210.5, as enacted by Chapter 50, Laws of Utah 1993

17A-2-1211, as last amended by Chapter 249, Laws of Utah 1996

17A-2-1212, as last amended by Chapter 183, Laws of Utah 1996

17A-2-1213, as last amended by Chapter 249, Laws of Utah 1996

17A-2-1214, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1215, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1216, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1217, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1218, as last amended by Chapter 320, Laws of Utah 1995

17A-2-1219, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-1220, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1221, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-1222, as last amended by Chapter 249, Laws of Utah 1996

17A-2-1223, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-1224, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-1225, as last amended by Chapter 249, Laws of Utah 1996

17A-2-1226, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-1227, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1228, as last amended by Chapter 320, Laws of Utah 1995

17A-2-1229, as last amended by Chapter 80, Laws of Utah 1996

17A-2-1230, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1231, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-1232, as last amended by Chapter 10, Laws of Utah 1997

17A-2-1233, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-1234, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-1235, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-1236, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1237, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-1238, as last amended by Chapter 320, Laws of Utah 1995

17A-2-1239, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1240, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1241, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-1242, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1243, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1244, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-1245, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-1246, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-1247, as last amended by Chapters 21 and 194, Laws of Utah 1999

17A-2-1247.5, as last amended by Chapters 21 and 194, Laws of Utah 1999

17A-2-1248, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1249, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-1250, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1250.5, as enacted by Chapter 320, Laws of Utah 1995

17A-2-1251, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1252, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1253, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1254, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1255, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-1256, as last amended by Chapter 80, Laws of Utah 1996

17A-2-1257, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-1258, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1259, as last amended by Chapter 50, Laws of Utah 1993

17A-2-1260, as last amended by Chapter 194, Laws of Utah 1999

17A-2-1261, as enacted by Chapter 50, Laws of Utah 1993

17A-2-1262, as enacted by Chapter 50, Laws of Utah 1993

17A-2-1263, as enacted by Chapter 50, Laws of Utah 1993

17A-2-1264, as enacted by Chapter 279, Laws of Utah 1998

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

Section 1. Section **9-4-704** is amended to read:

9-4-704. Distribution of fund moneys.

(1) The executive director shall:

(a) make grants and loans from the fund for any of the activities authorized by Section 9-4-705, as recommended by the board;

(b) establish the criteria by which loans and grants will be made; and

(c) determine the order in which projects will be funded.

(2) The executive director shall distribute any federal moneys contained in the fund according to the procedures, conditions, and restrictions placed upon the use of those moneys by the federal government.

(3) (a) The executive director shall distribute any funds received pursuant to Section [~~17A-2-1264~~] 17B-4-1010 to pay the costs of providing income targeted housing within the community that created the redevelopment agency under Title [~~17A~~] 17B, Chapter [~~2~~] 4, [~~Part 12, Utah Neighborhood Development~~] Redevelopment Agencies Act.

(b) As used in Subsection (3)(a):

(i) "Community" has the meaning as defined in Subsection [~~17A-2-1202(5)~~] 17B-4-102(1).

(ii) "Income targeted housing" has the meaning as defined in Subsection [~~17A-2-1264~~] 17B-4-1010(1)[~~(g)~~].

(4) Except federal money and money received under Section [~~17A-2-1264~~] 17B-4-1010, the executive director shall distribute all other moneys from the fund according to the following requirements:

(a) Not less than 30% of all fund moneys shall be distributed to rural areas of the state.

(b) At least 50% of the moneys in the fund shall be distributed as loans to be repaid to the fund by the entity receiving them.

(i) (A) Of the fund moneys distributed as loans, at least 50% shall be distributed to benefit persons whose annual income is at or below 50% of the median family income for the state.

(B) The remaining loan moneys shall be distributed to benefit persons whose annual income is at or below 80% of the median family income for the state.

(ii) The executive director or his designee shall lend moneys in accordance with this Subsection (4) at a rate based upon the borrower's ability to pay.

(c) Any fund moneys not distributed as loans shall be distributed as grants.

(i) At least 90% of the fund moneys distributed as grants shall be distributed to benefit persons whose annual income is at or below 50% of the median family income for the state.

(ii) The remaining fund moneys distributed as grants may be used by the executive director to obtain federal matching funds or for other uses consistent with the intent of this part, including the payment of reasonable loan servicing costs, but no more than 3% of the revenues of the fund may be used to offset other department or board administrative expenses.

(5) The executive director may:

(a) enact rules to establish procedures for the grant and loan process by following the procedures and requirements of Title 63, Chapter 46a, Utah Administrative Rulemaking Act; and

(b) service or contract, pursuant to Title 63, Chapter 56, Utah Procurement Code, for the servicing of loans made by the fund.

Section 2. Section **10-3-1303** is amended to read:

10-3-1303. Definitions.

As used in this part:

(1) "Appointed officer" means any person appointed to any statutory office or position or any other person appointed to any position of employment with a city or with a redevelopment agency under Title 17B, Chapter 4, Redevelopment Agencies Act. Appointed officers include, but are not limited to, persons serving on special, regular, or full-time committees, agencies, or boards whether or not such persons are compensated for their services. The use of the word "officer" in this part is not intended to make appointed persons or employees "officers" of the municipality.

(2) "Assist" means to act, or offer or agree to act, in such a way as to help, represent, aid,

advise, furnish information to, or otherwise provide assistance to a person or business entity, believing that such action is of help, aid, advice, or assistance to such person or business entity and with the intent to assist such person or business entity.

(3) "Business entity" means a sole proprietorship, partnership, association, joint venture, corporation, firm, trust, foundation, or other organization or entity used in carrying on a business.

(4) "Compensation" means anything of economic value, however designated, which is paid, loaned, granted, given, donated, or transferred to any person or business entity by anyone other than the governmental employer for or in consideration of personal services, materials, property, or any other thing whatsoever.

(5) "Elected officer" means any person elected or appointed to the office of mayor, commissioner, or council member.

(6) "Improper disclosure" means disclosure of private, controlled, or protected information to any person who does not have both the right and the need to receive the information.

(7) "Municipal employee" means a person who is not an elected or appointed officer who is employed on a full or part-time basis by a municipality or by a redevelopment agency under Title 17B, Chapter 4, Redevelopment Agencies Act.

(8) "Private, controlled, or protected information" means information classified as private, controlled, or protected under Title 63, Chapter 2, Government Records Access and Management Act or other applicable provision of law.

(9) "Substantial interest" means the ownership, either legally or equitably, by an individual, his spouse, or his minor children, of at least 10% of the outstanding shares of a corporation or 10% interest in any other business entity.

Section 3. Section **11-25-3** is amended to read:

11-25-3. Definitions.

As used in this act:

(1) "Bonds" mean any bonds, notes, interim certificates, debentures, or other obligations issued by an agency pursuant to this part and which are payable exclusively from the revenues, as defined in Subsection (9), and from any other funds specified in this part upon which the bonds may

be made a charge and from which they are payable.

(2) "Citizen participation" means action by the agency to provide persons who will be affected by residential rehabilitation financed under the provisions of this part with opportunities to be involved in planning and carrying out the residential rehabilitation program. "Citizen participation" shall include, but not be limited to, all of the following:

(a) Holding a public meeting prior to considering selection of the area for designation.

(b) Consultation with representatives of owners of property in, and residents of, a residential rehabilitation area, in developing plans for public improvements and implementation of the residential rehabilitation program.

(c) Dissemination of information relating to the time and location of meetings, boundaries of the proposed residential rehabilitation area, and a general description of the proposed residential rehabilitation program.

Public meetings and consultations shall be conducted by an official designated by the agency. Public meetings shall be held at times and places convenient to residents and property owners.

(3) "Financing" means the lending of moneys or any other thing of value for the purpose of residential rehabilitation.

(4) "Agency" means a redevelopment agency functioning pursuant to [~~Section 17A-2-1203~~] Title 17B, Chapter 4, Redevelopment Agencies Act.

(5) "Participating party" means any person, company, corporation, partnership, firm, agency, political subdivision of the state, or other entity or group of entities requiring financing for residential
rehabilitation pursuant to the provisions of this part. No elective officer of the state or any of its political subdivisions shall be eligible to be a participating party under the provision of this part.

(6) "Residential rehabilitation" means the construction, reconstruction, renovation, replacement, extension, repair, betterment, equipping, developing, embellishing, or otherwise improving residences consistent with standards of strength, effectiveness, fire resistance, durability, and safety, so that the structures are satisfactory and safe to occupy for residential purposes and are not conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime because of any one or more of the following factors:

(a) defective design and character of physical construction;

(b) faulty interior arrangement and exterior spacing;

(c) high density of population and overcrowding;

(d) inadequate provision for ventilation, light, sanitation, open spaces, and recreation facilities;

(e) age, obsolescence, deterioration, dilapidation, mixed character, or shifting of uses; and

(f) economic dislocation, deterioration, or disuse, resulting from faulty planning.

(7) "Residence" means a residential structure in residential rehabilitation areas. It also means
a commercial structure which, in the judgment of the agency, is an integral part of a residential neighborhood.

(8) "Rehabilitation standards" mean the applicable local or state standards for the rehabilitation of buildings located in residential rehabilitation areas, including any higher standards adopted by the agency as part of its residential rehabilitation financing program.

(9) "Revenues" mean all amounts received as repayment of principal, interest, and all other charges received for, and all other income and receipts derived by, the agency from the financing of residential rehabilitation, including moneys deposited in a sinking, redemption, or reserve fund or other fund to secure the bonds or to provide for the payment of the principal of, or interest on, the bonds and such other moneys as the legislative body may, in its discretion, make available therefor.

(10) "Residential rehabilitation area" means the geographical area designated by the agency as one for inclusion in a comprehensive residential rehabilitation financing program pursuant to the provisions of this act.

Section 4. Section **11-25-5** is amended to read:

11-25-5. Bonds or notes -- Issuance -- Purposes -- Payment -- Maturity of bond anticipation notes.

An agency may, from time to time, issue its negotiable bonds or notes for the purpose of financing residential rehabilitation as authorized by this act and for the purpose of funding or refunding these bonds or notes in the same manner as it may issue other bonds or notes as provided in [~~Sections 17A-2-1231 through 17A-2-1237 and Sections 17A-2-1243 through 17A-2-1246~~] Title

17B, Chapter 4, Part 12, Bonds. Every issue of its bonds shall be a special obligation of the agency payable from all or any part of the revenues specified in the act or funds legally received by the agency. In anticipation of the sale of the bonds, the agency may issue negotiable bond anticipation notes in accordance with Section 11-14-19.5, and may renew such notes from time to time. Bond anticipation notes may be paid from the proceeds of sale of the bonds of the agency in anticipation of which they were issued. Bond anticipation notes and agreements relating thereto and the resolution or resolutions authorizing the notes and agreements may obtain any provisions, conditions, or limitations which a bond, agreement relating thereto, or bond resolution of the agency may contain except that any note or renewal thereof shall mature at a time not later than five years from the date of the issuance of the original note.

Section 5. Section **11-25-11** is amended to read:

11-25-11. Comprehensive financing program ordinance -- Contents.

Prior to the issuance of any bonds or bond anticipation notes of the agency for residential rehabilitation, the agency shall by ordinance adopt a comprehensive residential rehabilitation financing program, including:

(1) Criteria for selection of residential rehabilitation areas by the agency including findings by the agency that:

(a) There are a substantial number of deteriorating structures in the area which do not conform to community standards for decent, safe, sanitary housing.

(b) Financial assistance from the agency for residential rehabilitation is necessary to arrest the deterioration of the area.

(c) Financing of residential rehabilitation in the area is economically feasible. These findings are not required, however, when the residential rehabilitation area is located within the boundaries of a project area covered by a project area redevelopment plan adopted in accordance with Section [~~17A-2-1226~~] 17B-4-408.

(2) Procedures for selection of residential rehabilitation areas by the agency including:

(a) Provisions for citizen participation in selection of residential rehabilitation areas.

(b) Provisions for a public hearing by the agency prior to selection of any particular

residential rehabilitation area.

(3) A commitment that rehabilitation standards will be enforced on each residence for which financing is provided.

(4) Guidelines for financing residential rehabilitation which shall be subject to the following limitations:

(a) Outstanding loans on the property to be rehabilitated including the amount of the loans for rehabilitation, shall not exceed 80% of the anticipated after-rehabilitation value of the property to be rehabilitated, except that the agency may authorize loans of up to 95% of the anticipated after-rehabilitation value of the property if loans are made for the purpose of rehabilitating the property for residential purposes, there is demonstrated need for such higher limit, and there is a high probability that the value of the property will not be impaired during the term of the loan.

(b) The maximum repayment period for residential rehabilitation loans shall be 20 years or 3/4 of the economic life of the property, whichever is less.

(c) The maximum amount loan for rehabilitation for each dwelling unit and for each commercial unit which is, or is part of a "residence" as defined in this chapter, shall be established by resolution of the agency.

Section 6. Section **17B-4-101** is enacted to read:

CHAPTER 3. RESERVED

CHAPTER 4. REDEVELOPMENT AGENCIES ACT

Part 1. General Provisions

17B-4-101. Title.

This chapter is known as the "Redevelopment Agencies Act."

Section 7. Section **17B-4-102** is enacted to read:

17B-4-102. Definitions.

(1) "Agency" means a separate body corporate and politic, created under Section 17B-4-201, that is a political subdivision of the state, that is created to undertake or promote redevelopment, economic development, or education housing development, or any combination of them, as provided in this chapter, and whose geographic boundaries are coterminous with:

(a) for an agency created by a county, the unincorporated area of the county; and

(b) for an agency created by a city or town, the boundaries of the city or town.

(2) "Assessment property owner" or "assessment owner of property" means the owner of real property as shown on the assessment roll of the county in which the property is located, equalized as of the previous November 1.

(3) "Assessment roll" has the meaning as defined in Section 59-2-102.

(4) "Base taxable value" means the taxable value of the property within a project area from which tax increment will be collected, as shown upon the assessment roll last equalized before:

(a) for a pre-July 1, 1993 project area plan, the effective date of the project area plan; or

(b) for a post-June 30, 1993 project area plan:

(i) the date of the taxing entity committee's approval of the first project area budget; or

(ii) if no taxing entity committee approval is required for the project area budget, the later of:

(A) the date the project area plan is adopted by the community legislative body; and

(B) the date the agency adopts the first project area budget.

(5) "Blight" or "blighted" means the condition of an area that meets the requirements of Subsection 17B-4-604(1).

(6) "Blight hearing" means a public hearing under Subsection 17B-4-601(3) and Section 17B-4-603 regarding the existence or nonexistence of blight within the proposed redevelopment project area.

(7) "Blight study" means a study to determine the existence or nonexistence of blight within a survey area as provided in Section 17B-4-602.

(8) "Board" means the governing body of an agency, as provided in Section 17B-4-203.

(9) "Budget hearing" means the public hearing on a draft project area budget required under Subsection 17B-4-501(2)(e).

(10) "Community" means a county, city, or town.

(11) "Economic development" means to promote the creation or retention of public or private jobs within the state through:

(a) planning, design, development, construction, rehabilitation, business relocation, or any combination of these, within part or all of a project area; and

(b) the provision of office, industrial, manufacturing, warehousing, distribution, parking, public, or other facilities, or other improvements that benefit the state or a community.

(12) "Education housing development" means the provision of high density housing within a project area that is adjacent to a public or private institution of higher education.

(13) "Plan hearing" means the public hearing on a draft project area plan required under Subsection 17B-4-402(1)(e).

(14) "Post-June 30, 1993 project area plan" means a redevelopment, economic development, or education housing development project area plan adopted on or after July 1, 1993, whether or not amended subsequent to its adoption.

(15) "Pre-July 1, 1993 project area plan" means a redevelopment project area plan adopted before July 1, 1993, whether or not amended subsequent to its adoption.

(16) "Private," with respect to real property, means:

(a) not owned by the United States or any agency of the federal government, a public entity, or any other governmental entity; and

(b) not dedicated to public use.

(17) "Project area" means the geographic area described in a project area plan or draft project area plan where the redevelopment, economic development, or education housing development set forth in the project area plan or draft project area plan takes place or is proposed to take place.

(18) "Project area budget" means a multiyear projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to a redevelopment, economic development, or education housing development project area that includes:

(a) the base taxable value of property in the project area;

(b) the projected tax increment expected to be generated within the project area;

(c) the amount of tax increment expected to be shared with other taxing entities;

(d) the amount of tax increment expected to be used to implement the project area plan, including the estimated amount of tax increment to be used for land acquisition, public

improvements, infrastructure improvements, and loans, grants, or other incentives to private and public entities;

(e) the tax increment expected to be used to cover the cost of administering the project area plan;

(f) if the area from which tax increment is to be collected is less than the entire project area, a legal description of the portion of the project area from which tax increment will be collected; and

(g) for property that the agency owns and expects to sell, the expected total cost of the property to the agency and the expected selling price.

(19) "Project area plan" means a written plan under Part 4, Project Area Plan, that, after its effective date, guides and controls the redevelopment, economic development, or education housing development activities within the project area.

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

(21) "Public entity" means:

(a) the state, including any of its departments or agencies; or

(b) a political subdivision of the state, including a county, city, town, school district, special district, local district, or interlocal cooperation entity.

(22) "Public input hearing" means the public hearing required under Subsection 17B-4-402(1)(h)(ii) regarding a proposed redevelopment project.

(23) "Record property owner" or "record owner of property" means the owner of real property as shown on the records of the recorder of the county in which the property is located and includes a purchaser under a real estate contract if the contract is recorded in the office of the recorder of the county in which the property is located or the purchaser gives written notice of the real estate contract to the agency.

(24) "Redevelopment" means the development activities under a project area plan within a redevelopment project area, including:

(a) planning, design, development, demolition, clearance, construction, rehabilitation, or any combination of these, of part or all of a project area;

(b) the provision of residential, commercial, industrial, public, or other structures or spaces, including recreational and other facilities incidental or appurtenant to them;

(c) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating, or any combination of these, existing structures in a project area;

(d) providing open space, including streets and other public grounds and space around buildings;

(e) providing public or private buildings, infrastructure, structures, and improvements; and

(f) providing improvements of public or private recreation areas and other public grounds.

(25) "Survey area" means an area designated by a survey area resolution for study to determine whether one or more redevelopment projects within the area are feasible.

(26) "Survey area resolution" means a resolution adopted by the agency board under Subsection 17B-4-401(1)(a) designating a survey area.

(27) (a) "Tax increment" means, except as provided in Subsection (27)(b), the difference between:

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

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

(b) "Tax increment" does not include taxes levied and collected under Section 59-2-906.1 on or after January 1, 1994 upon the taxable property in the project area unless:

(i) the project area plan was adopted before May 4, 1993, whether or not the project area plan was subsequently amended; and

(ii) the taxes were pledged to support bond indebtedness or other contractual obligations of the agency.

(28) "Taxing entity" means a public entity that levies a tax on property within a project area or proposed project area.

(29) "Taxing entity committee" means a committee representing the interests of taxing

entities, created as provided in Section 17B-4-1002.

(30) "Trust fund board" means the Olene Walker Housing Trust Fund Board, established under Title 9, Chapter 4, Part 7, Olene Walker Housing Trust Fund.

Section 8. Section **17B-4-103** is enacted to read:

17B-4-103. Public entities may assist with redevelopment, economic development, or education housing development project.

(1) In order to assist and cooperate in the planning, undertaking, construction, or operation of a redevelopment, economic development, or education housing development project located within the area in which it is authorized to act, a public entity may:

(a) (i) cause to be furnished adjacent to or in connection with a redevelopment, economic development, or education housing development project:

(A) parks, playgrounds, or other recreational facilities;

(B) community, educational, water, sewer, or drainage facilities; or

(C) any other works which the public entity is otherwise empowered to undertake;

(ii) furnish, dedicate, close, vacate, pave, install, grade, regrade, plan, or replan streets, roads, roadways, alleys, sidewalks, or other places over which it has authority;

(iii) plan or replan, zone or rezone any part of a project area and make any legal exceptions from building regulations and ordinances;

(iv) purchase or legally invest in any of the bonds of an agency and exercise all of the rights of any holder of the bonds;

(v) enter into an agreement with another public entity concerning action to be taken pursuant to any of the powers granted in this chapter; and

(vi) do any and all things necessary to aid or cooperate in the planning or carrying out of a redevelopment, economic development, or education housing development project; and

(b) after 15 days public notice:

(i) (A) purchase or otherwise acquire property or lease property from an agency; or

(B) sell, grant, convey, or otherwise dispose of the public entity's property or lease the public entity's property to an agency;

(ii) in connection with the project area plan, become obligated to the extent authorized and funds have been made available to make required improvements or construct required structures; and

(iii) lend, grant, or contribute funds to an agency for a redevelopment, economic development, or education housing development project.

(2) Notwithstanding any law to the contrary, an agreement under Subsection (1)(a)(v) may extend over any period.

Section 9. Section **17B-4-104** is enacted to read:

17B-4-104. Agency funds to be accounted for separately from community funds.

Agency funds shall be accounted for separately from the funds of the community that created the agency.

Section 10. Section **17B-4-105** is enacted to read:

17B-4-105. Limitations on applicability of chapter -- Amendment of previously adopted project area plan.

(1) Nothing in this chapter may be construed to:

(a) impose a requirement or obligation on an agency with respect to a project area plan adopted or an agency action taken before June 1, 2001 that was not imposed by the law in effect at the time the project area plan was adopted or the action taken;

(b) prohibit an agency from taking an action on or after June 1, 2001 that:

(i) was allowed by the law in effect immediately before June 1, 2001;

(ii) is permitted or required under the project area plan adopted before June 1, 2001; and

(iii) is not explicitly prohibited under this chapter;

(c) revive any right to challenge any action of the agency that had already expired; or

(d) require a project area plan adopted before June 1, 2001 to contain a provision that was not required by the law in effect at the time the project area plan was adopted.

(2) (a) A project area plan adopted before June 1, 2001 may be amended as provided in this chapter.

(b) Unless explicitly prohibited by this chapter, an amendment under Subsection (2)(a) may include a provision that is allowed under this chapter but that was not required or allowed by the law

in effect before June 1, 2001.

Section 11. Section **17B-4-201** is enacted to read:

Part 2. Agency Creation, Powers, and Board

17B-4-201. Creation of agency -- Certification of incorporation -- Notice of creation.

(1) Subject to Subsection (2), a community may, by ordinance adopted by its legislative body, create an agency.

(2) (a) Within ten days after adopting a resolution under Subsection (1), the community legislative body shall cause a notice of the adoption of the resolution, with a copy of the resolution, to be filed with the lieutenant governor.

(b) Within ten days after receiving the notice under Subsection (2)(a), the lieutenant governor shall issue a certificate of incorporation for the agency and send a copy of the certificate to the community legislative body.

(c) Upon the lieutenant governor's issuance of the certificate of incorporation, the agency is created and incorporated.

(3) Within 20 days after the issuance of the certificate of incorporation, the agency shall cause a notice of the agency's creation and incorporation, with a copy of the certificate of incorporation attached, to be filed with the State Tax Commission and the state auditor.

Section 12. Section **17B-4-202** is enacted to read:

17B-4-202. Agency powers.

(1) An agency may:

(a) sue and be sued;

(b) enter into contracts generally;

(c) buy, obtain an option upon, or otherwise acquire any interest in real or personal property, including acquiring property by eminent domain as provided in this chapter;

(d) sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in real or personal property;

(e) enter into a lease agreement on real or personal property, either as lessee or lessor;

(f) provide for redevelopment, economic development, and education housing development

as provided in this chapter;

(g) receive tax increment as provided in this chapter;

(h) encourage the continued use of existing buildings in the project area;

(i) if disposing of or leasing land, retain controls or establish restrictions and covenants running with the land consistent with the project area plan;

(j) accept financial or other assistance from any public or private source for the agency's activities, powers, and duties, and expend any funds so received for any of the purposes of this chapter;

(k) borrow money or accept financial or other assistance from the federal government, a public entity, or any other source for any of the purposes of this chapter and comply with any conditions of such loan or assistance; and

(l) issue bonds to finance the undertaking of any redevelopment, economic development, or education housing development or for any of the agency's other purposes, including:

(i) reimbursing an advance made by the agency or by a public entity or the federal government to the agency;

(ii) refunding bonds to pay or retire bonds previously issued by the agency; and

(iii) refunding bonds to pay or retire bonds previously issued by the community that created the agency for expenses associated with a redevelopment, economic development, or education housing development project; and

(m) transact other business and exercise all other powers provided for in this chapter.

(2) The establishment of controls or restrictions and covenants under Subsection (1)(i) is a public purpose.

Section 13. Section **17B-4-203** is enacted to read:

17B-4-203. Agency board -- Quorum.

(1) The governing body of an agency is a board consisting of the current members of the legislative body of the community that created the agency.

(2) A majority of board members constitutes a quorum for the transaction of agency business.

(3) An agency board may not adopt a resolution, pass a motion, or take any other official board action without the concurrence of at least a majority of the board members present at a meeting
at which a quorum is present.

Section 14. Section **17B-4-204** is enacted to read:

17B-4-204. Redevelopment, economic development, or education housing development by an adjoining agency -- Requirements.

(1) An agency may, by resolution of its board, authorize another agency to conduct redevelopment, economic development, or education housing development activities in a project area within the authorizing agency's boundaries if the project area is contiguous to the boundaries of the other agency.

(2) If an agency board adopts a resolution under Subsection (1) authorizing another agency to undertake redevelopment, economic development, or education housing development activities in the authorizing agency's project area:

(a) the other agency may act in all respects as if the project area were within its own boundaries;

(b) the board of the other agency has all the rights, powers, and privileges with respect to the project area as if it were within its own boundaries; and

(c) the other agency may be paid tax increment funds to the same extent as if the project area were within its own boundaries.

(3) Each project area plan approved by the other agency for the project area that is the subject of a resolution under Subsection (1) shall be:

(a) reviewed by the planning commission of the community in which the project area is located; and

(b) adopted by ordinance of the legislative body of the community in which the project area is located.

Section 15. Section **17B-4-205** is enacted to read:

17B-4-205. Change of project area from one community to another.

(1) For purposes of this section:

(a) "New agency" means the agency created by the new community.

(b) "New community" means the community in which the relocated project area is located after the change in community boundaries takes place.

(c) "Original agency" means the agency created by the original community.

(d) "Original community" means the community that adopted the project area plan that created the project area that has been relocated.

(e) "Relocated" means that a project area under a project area plan adopted by the original community has ceased to be located within that community and has become part of a new community because of a change in community boundaries through:

(i) a county or municipal annexation;

(ii) the creation of a new county;

(iii) a municipal incorporation, consolidation, dissolution, or boundary adjustment; or

(iv) any other action resulting in a change in community boundaries.

(2) If a project area under a project area plan adopted by a community becomes relocated, the project area shall, for purposes of this chapter, be considered to remain in the original community until:

(a) the new community has created an agency;

(b) the original agency has transferred or assigned to the new agency the original agency's real property, rights, indebtedness, obligations, tax increment, and other assets and liabilities related to the relocated project area; and

(c) the new agency by resolution approves the original agency's project area plan as the project area plan of the new agency; and

(d) the new community by ordinance adopts the project area plan that was approved by the new agency.

Section 16. Section **17B-4-206** is enacted to read:

17B-4-206. Acquisition of property of an agency board member or officer -- Use of eminent domain.

(1) An agency may not acquire property or an interest in property from an agency board

member or officer unless:

(a) the board member or officer consents; and

(b) the agency uses eminent domain.

(2) (a) In addition to the power of eminent domain that an agency may exercise under Part 11, Eminent Domain in Redevelopment Project Area, an agency may use eminent domain to acquire any interest in property that is owned by an agency board member or officer and located within a redevelopment, economic development, or education housing development project area.

(b) The requirement under Subsection 17B-4-1101(1)(a) of a finding of blight does not apply to an agency's acquisition through eminent domain of property or an interest in property owned by an agency board member or officer in a redevelopment project area.

Section 17. Section **17B-4-301** is enacted to read:

Part 3. Agency Property

17B-4-301. Agency property exempt from taxation -- Exception.

(1) Agency property acquired or held for purposes of this chapter is declared to be public property used for essential public and governmental purposes and, subject to Subsection (2), is exempt from all taxes of a public entity.

(2) The exemption in Subsection (1) does not apply to property that the agency leases to a lessee that is not entitled to a tax exemption with respect to the property.

Section 18. Section **17B-4-302** is enacted to read:

17B-4-302. Agency property exempt from levy and execution sale -- Judgment against community or agency.

(1) All agency property, including funds the agency owns or holds for purposes of this chapter, are exempt from levy and execution sale, and no execution or judicial process may issue against agency property.

(2) A judgment against the community that created the agency may not be a charge or lien upon agency property.

(3) A judgment against an agency may not be a charge or lien upon property of the community that created the agency.

Section 19. Section **17B-4-303** is enacted to read:

17B-4-303. Summary of sale or other disposition of agency property -- Publication of summary.

(1) Upon the agency's sale, conveyance, grant, or other disposition of real property, the agency shall prepare a summary of the material provisions of the disposition.

(2) Each summary under Subsection (1) shall be a matter of public record.

(3) The agency shall publish each summary under Subsection (1) at least once in a newspaper of general circulation in the agency's boundaries no later than one month after the disposition is concluded.

Section 20. Section **17B-4-401** is enacted to read:

Part 4. Project Area Plan

17B-4-401. Resolution designating survey area or authorizing the preparation of a draft project area plan -- Request to adopt resolution.

(1) An agency board may begin the process of adopting a project area plan by adopting a resolution that:

(a) for a proposed redevelopment project area plan:

(i) designates an area located within the agency's boundaries as a survey area;

(ii) contains a statement that the survey area requires study to determine whether:

(A) one or more redevelopment projects within the survey area are feasible; and

(B) blight exists within the survey area; and

(iii) contains a description or map of the boundaries of the survey area; or

(b) for a proposed economic development or education housing development project area plan, authorizes the preparation of a draft project area plan.

(2) (a) Any person or any group, association, corporation, or other entity may submit a written request to the board to adopt a resolution under Subsection (1).

(b) A request under Subsection (2)(a) may include plans showing the redevelopment, economic development, or education housing development proposed for an area within the agency's boundaries.

(c) The board may, in its sole discretion, grant or deny a request under Subsection (2)(a).

Section 21. Section **17B-4-402** is enacted to read:

17B-4-402. Process for adopting project area plan -- Prerequisites -- Restrictions.

(1) In order to adopt a project area plan, after adopting a resolution under Subsection 17B-4-401(1) the agency shall:

(a) prepare a draft of a project area plan and conduct any examination, investigation, and negotiation regarding the project area plan that the agency considers appropriate;

(b) request input on the draft project area plan from the planning commission of the community in which the proposed project area is located;

(c) make the draft project area plan available to the public at the agency's offices during normal business hours;

(d) provide notice of the plan hearing as provided in Sections 17B-4-702 and 17B-4-704;

(e) hold a public hearing on the draft project area plan and, at that public hearing:

(i) allow public comment on:

(A) the draft project area plan; and

(B) whether the draft project area plan should be revised, approved, or rejected; and

(ii) receive all written and hear all oral objections to the draft project area plan;

(f) before holding the plan hearing, provide an opportunity for the State Board of Education and each taxing entity that levies a tax on property within the proposed project area to consult with the agency regarding the draft project area plan;

(g) if applicable, hold the election required under Subsection 17B-4-406(3);

(h) for a redevelopment project area plan:

(i) comply with the requirements of Part 6, Blight Determination in Redevelopment Project Areas;

(ii) before providing notice of the plan hearing, hold at least one public hearing to:

(A) inform the public about each area being considered for a redevelopment project area; and

(B) allow public input into agency deliberations on proposing each redevelopment project

area;

(iii) select one or more project areas comprising part or all of the survey area; and

(iv) before sending the first notice to assessment owners of property for a public input hearing, blight hearing, or combined public input and blight hearing, prepare and adopt guidelines setting forth and governing the reasonable opportunities of record property owners and tenants to participate in the redevelopment;

(i) after holding the plan hearing, at the same meeting or at a subsequent meeting consider:

(i) the oral and written objections to the draft project area plan and evidence and testimony for or against adoption of the draft project area plan; and

(ii) whether to revise, approve, or reject the draft project area plan;

(j) approve the draft project area plan, with or without revisions, as the project area plan by a resolution that complies with Section 17B-4-407; and

(k) submit the project area plan to the community legislative body for adoption.

(2) An agency may not propose a project area plan under Subsection (1) unless the community in which the proposed project area is located:

(a) has a planning commission; and

(b) has adopted a general plan under:

(i) if the community is a city or town, Title 10, Chapter 9, Part 3, General Plan; or

(ii) if the community is a county, Title 17, Chapter 27, Part 3, General Plan.

(3) (a) Subject to Subsection (3)(b), an agency board may not approve a project area plan more than one year after:

(i) for a redevelopment project area plan involving the use of eminent domain, adoption of a resolution making a finding of blight under Subsection 17B-4-601(4)(b); or

(ii) for an economic development or education housing development project area plan, the date of the plan hearing.

(b) If a project area plan is submitted to an election under Subsection 17B-4-406(3), the time between the plan hearing and the date of the election does not count for purposes of calculating the year period under Subsection (3)(a).

(4) (a) Except as provided in Subsection (4)(b), a draft project area plan may not be modified to add real property to the proposed project area unless the board holds an additional plan hearing to consider the addition and gives notice of the additional plan hearing as required under Sections 17B-4-702 and 17B-4-704.

(b) The notice and hearing requirements under Subsection (4)(a) do not apply to a draft project area plan being modified to add real property to the proposed project area if:

(i) the property is:

(A) located within the survey area; and

(B) contiguous to the property already included in the proposed project area under the draft project area plan; and

(ii) the record owner of the property consents to adding the real property to the proposed project area.

Section 22. Section **17B-4-403** is enacted to read:

17B-4-403. Project area plan requirements.

(1) Each project area plan and draft project area plan shall:

(a) describe the boundaries of the project area;

(b) contain a general statement of the land uses, layout of principal streets, population densities, and building intensities of the project area and how they will be affected by the redevelopment, economic development, or education housing development;

(c) state the standards that will guide the redevelopment, economic development, or education housing development;

(d) show how the purposes of this chapter will be attained by the redevelopment, economic development, or education housing development;

(e) be consistent with the general plan of the community in which the project area is located and show that the redevelopment, economic development, or education housing development will conform to the community's general plan;

(f) if the agency board made a finding of blight under Subsection 17B-4-601(4)(b):

(i) describe how the redevelopment will reduce or eliminate blight in the project area;

(ii) provide record owners of property located within the redevelopment project area and their tenants reasonable opportunities to participate in the redevelopment if the record property owner or tenant enters into a participation agreement with the agency; and

(iii) state that the agency has adopted or will adopt guidelines setting forth and governing the opportunities of record property owners and tenants to participate in the redevelopment, as required by Subsection 17B-4-402(1)(h)(iv);

(g) if the project area plan is for economic development, describe how the economic development will create additional jobs;

(h) if the project area plan is for education housing development, describe how the education housing development will meet the needs of the community in which the project area is located;

(i) describe any specific project or projects that are the object of the proposed redevelopment, economic development, or education housing development;

(j) identify how private developers, if any, will be selected to undertake the redevelopment, economic development, or education housing development and identify each private developer currently involved in the redevelopment, economic development, or education housing development process;

(k) contain a time limit of no more than three years after adoption of the project area plan for the agency to commence implementation of the project area plan, unless the project area plan is adopted again as if it were an amended project area plan under Section 17B-4-411;

(l) if the project area plan authorizes the use of eminent domain, contain a time limit of no more than five years after the effective date of the project area plan for the agency to commence acquisition of property through the use of eminent domain;

(m) if the project area plan provides for tax increment to be paid to the agency:

(i) contain a time limit of no more than 25 years after adoption of the project area plan for tax increment to be paid to the agency unless the taxing entity committee consents to a longer period; and

(ii) contain a provision that the project area may not exceed 100 acres of private real property unless the agency obtains the consent of the taxing entity committee;

(n) state the reasons for the selection of the project area;

(o) describe the physical, social, and economic conditions existing in the project area;

(p) provide a financial analysis describing the proposed method of financing the proposed redevelopment, economic development, or education housing development;

(q) describe any tax incentives offered private entities for facilities located in the project area;

(r) include a plan for the relocation of any families and persons who will be temporarily or permanently displaced from housing facilities in the project area;

(s) contain the report and state any recommendations of the community's planning commission;

(t) include an analysis, as provided in Subsection (2), of whether adoption of the project area plan is:

(i) for a redevelopment project area plan, necessary and appropriate to reduce or eliminate blight; or

(ii) for an economic development or education housing development project area plan, beneficial under a benefit analysis;

(u) if any of the existing buildings or uses in the project area are included in or eligible for inclusion in the National Register of Historic Places or the State Register, state that the agency shall comply with Subsection 9-8-404(1) as though the agency were a state agency; and

(v) include other information that the agency determines to be necessary or advisable.

(2) Each analysis under Subsection (1)(t) shall consider:

(a) the benefit of any financial assistance or other public subsidy proposed to be provided by the agency, including:

(i) an evaluation of the reasonableness of the costs of redevelopment, economic development, or education housing development;

(ii) efforts the agency has made or will make to maximize private investment;

(iii) the rationale for use of tax increment, including an analysis of whether the proposed development might reasonably be expected to occur in the foreseeable future solely through private

investment; and

(iv) an estimate of the total amount of tax increment that will be expended in undertaking redevelopment, economic development, or education housing development and the length of time for which it will be expended; and

(b) the anticipated public benefit to be derived from the redevelopment, economic development, or education housing development, including:

(i) the beneficial influences upon the tax base of the community;

(ii) in the case of economic development or education housing development, the associated business and economic activity likely to be stimulated; and

(iii) in the case of economic development, the number of jobs or employment anticipated to be generated or preserved.

Section 23. Section **17B-4-404** is enacted to read:

17B-4-404. Limit on size of project area in certain project area plans.

A project area under a project area plan that provides for tax increment funds to be paid to the agency may not exceed 100 acres of private real property unless:

(1) the agency obtains the consent of the taxing entity committee; or

(2) the project area plan was adopted on or before April 1, 1983.

Section 24. Section **17B-4-405** is enacted to read:

17B-4-405. Existing and historic buildings and uses.

If any of the existing buildings or uses in a project area are included in or eligible for inclusion in the National Register of Historic Places or the State Register, the agency shall comply with Subsection 9-8-404(1) as though the agency were a state agency.

Section 25. Section **17B-4-406** is enacted to read:

17B-4-406. Objections to project area plan -- Owners' alternative project area plan -- Election if 40% of property owners object.

(1) At any time before the plan hearing or, if applicable, the additional plan hearing under Subsection 17B-4-402(4)(a), any person may file with the agency a written statement of objections to the draft project area plan.

(2) If the record owners of property of a majority of the private real property included within the proposed project area file a written petition before or at the plan hearing or, if applicable, the additional plan hearing under Subsection 17B-4-402(4)(a), proposing an alternative project area plan, the agency shall consider that proposed plan in conjunction with the project area plan proposed by the agency.

(3) (a) If the record property owners of at least 40% of the private land area within the proposed project area object in writing to the draft project area plan before or at the plan hearing or, if applicable, the additional plan hearing under Subsection 17B-4-402(4)(a) and do not withdraw their objections, an agency may not approve the project area plan until approved by voters within the boundaries of the agency in which the proposed project area is located at an election as provided in Subsection (3)(b).

(b) (i) Except as provided in this section, each election required under Subsection (3)(a) shall comply with Title 20A, Election Code.

(ii) An election under Subsection (3)(a) may be held on the same day and with the same election officials as an election held by the community in which the proposed project area is located.

(iii) If a majority of those voting on the proposed project area plan vote in favor of it, the project area plan shall be considered approved and the agency shall confirm the approval by resolution.

(4) If the record property owners of 2/3 of the private land area within the proposed project area object in writing to the draft project area plan before or at the plan hearing or, if applicable, the additional plan hearing under Subsection 17B-4-402(4)(a) and do not withdraw their objections, the project area plan may not be adopted and the agency may not reconsider the project area plan for three years.

Section 26. Section **17B-4-407** is enacted to read:

17B-4-407. Board resolution approving project area plan -- Requirements -- Additional requirements for redevelopment project area plan.

(1) Each board resolution approving a draft redevelopment, economic development, or education housing development project area plan as the project area plan under Subsection

17B-4-402(1)(j) shall contain:

(a) a legal description of the boundaries of the project area that is the subject of the project area plan;

(b) the agency's purposes and intent with respect to the project area;

(c) the project area plan incorporated by reference;

(d) the board findings and determinations that:

(i) there is a need to effectuate a public purpose;

(ii) there is a public benefit under the analysis described in Subsections 17B-4-403(1)(t) and (2);

(iii) it is economically sound and feasible to adopt and carry out the project area plan;

(iv) the project area plan conforms to the community's general plan; and

(v) carrying out the project area plan will promote the public peace, health, safety, and welfare of the community in which the project area is located.

(2) (a) As used in this Subsection (2), "comparable dwellings" means residential housing facilities that are:

(i) within the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities;

(ii) at rents or prices within the financial means of the families and persons displaced from the project area; and

(iii) decent, safe, and sanitary and equal in number and available to displaced families and persons and reasonably accessible to their places of employment.

(b) In addition to the requirements under Subsection (1), each board resolution approving a redevelopment project area plan shall:

(i) recite the board's previous finding of blight within the project area and the date of the board's finding of blight; and

(ii) contain the board's findings and determinations that:

(A) if the use of eminent domain is provided for in the redevelopment project area plan:

(I) the use of eminent domain is or may be necessary to the execution of the redevelopment

project area plan; and

(II) adequate provisions have been made for just compensation for property acquired by eminent domain; and

(B) if the project area plan may result in the temporary or permanent displacement of any residential occupants in the project area:

(I) the agency has a feasible method or plan for the relocation of families and persons displaced from the project area;

(II) comparable dwellings exist or will be provided to the families and persons displaced by the project area plan; and

(III) the board is satisfied that permanent housing facilities will be available within three years from the time occupants of the project area are displaced and, pending the development of these housing facilities, there will be available to the displaced occupants adequate temporary housing facilities at rents comparable to those in the community at the time of their displacement.

Section 27. Section **17B-4-408** is enacted to read:

17B-4-408. Plan to be adopted by community legislative body.

(1) A project area plan approved by board resolution under Section 17B-4-407 may not take effect until it has been adopted by ordinance of the legislative body of the community that created the agency and notice under Section 17B-4-409 is provided.

(2) Each ordinance under Subsection (1) shall:

(a) be adopted by the community legislative body after the board's approval of a resolution under Section 17B-4-407; and

(b) designate the approved project area plan as the official redevelopment, economic development, or education housing development plan of the project area.

Section 28. Section **17B-4-409** is enacted to read:

17B-4-409. Notice of project area plan adoption -- Effective date of plan -- Contesting the formation of the plan.

(1) (a) Upon the community legislative body's adoption of a project area plan, the legislative body shall provide notice as provided in Subsection (1)(b) by:

(i) publishing or causing to be published a notice in a newspaper of general circulation within the agency's boundaries; or

(ii) if there is no newspaper of general circulation within the agency's boundaries, causing a notice to be posted in at least three public places within the agency's boundaries.

(b) Each notice under Subsection (1)(a) shall:

(i) set forth the community legislative body's ordinance adopting the project area plan or a summary of the ordinance; and

(ii) include a statement that the project area plan is available for general public inspection and the hours for inspection.

(2) The project area plan shall become effective on the date of:

(a) if notice was published under Subsection (1)(a), publication of the notice; or

(b) if notice was posted under Subsection (1)(a), posting of the notice.

(3) (a) (i) For a period of 60 days after the effective date of the project area plan under Subsection (2), any person in interest may, except as provided in Subsection (3)(a)(ii), contest the project area plan or the procedure used to adopt the project area plan if the plan or procedure fails to comply with applicable statutory requirements.

(ii) Notwithstanding Subsection (3)(a)(i), a challenge to a finding of blight may be made only under Section 17B-4-605.

(b) After the 60-day period under Subsection (3)(a)(i) expires, no person may contest the project area plan or procedure used to adopt the project area plan for any cause.

(4) (a) Except as provided in Subsection (4)(b), upon adoption of the project area plan by the community's legislative body, the agency may carry out the project area plan.

(b) An agency may not commence implementation of a project area plan more than three years after the community legislative body adopts the plan, unless the plan is readopted as if it were an amended project area plan under Section 17B-4-411.

(5) Each agency shall make the adopted project area plan available to the general public at its offices during normal business hours.

Section 29. Section **17B-4-410** is enacted to read:

17B-4-410. Agency required to transmit and record documents after adoption of project area plan.

Within 30 days after the community legislative body adopts, under Section 17B-4-408, a project area plan, the agency shall:

(1) record with the recorder of the county in which the project area is located a document containing:

(a) a description of the land within the project area;

(b) a statement that the project area plan for the project area has been adopted; and

(c) the date of adoption; and

(2) for a project area plan that provides for the payment of tax increment to the agency, transmit a copy of the description of the land within the project area, a copy of the community legislative body ordinance adopting the project area plan, and a map or plat indicating the boundaries of the project area to:

(a) the auditor and assessor of the county in which the project area is located;

(b) the officer or officers performing the function of auditor or assessor for each taxing entity that does not use the county assessment roll or collect its taxes through the county;

(c) the legislative body or governing board of each taxing entity;

(d) the State Tax Commission; and

(e) the State Board of Education.

Section 30. Section **17B-4-411** is enacted to read:

17B-4-411. Amending the project area plan.

(1) An adopted project area plan may be amended as provided in this section.

(2) If an agency proposes to amend an adopted project area plan to enlarge a project area, the requirements under this part that apply to a project area plan apply equally to the proposed amendment as if it were a project area plan.

(3) If a proposed amendment does not propose to enlarge a project area, an agency board may adopt a resolution approving an amendment to an adopted project area plan after:

(a) the agency gives notice, as provided in Section 17B-4-702, of the proposed amendment

and of the public hearing required by Subsection (3)(b);

(b) the agency board holds a public hearing on the proposed amendment that meets the requirements of a plan hearing;

(c) the agency obtains the taxing entity committee's consent to the amendment, if the amendment proposes:

(i) to enlarge the area within the project area from which tax increment is collected; or

(ii) to permit the agency to receive a greater percentage of tax increment or to receive tax increment for a longer period of time than allowed under the adopted project area plan; and

(iii) for an amendment to a project area plan that was adopted before April 1, 1983, to expand the area from which tax increment is collected to exceed 100 acres of private real property; and

(d) the agency obtains the consent of the legislative body or governing board of each taxing entity affected, if the amendment proposes to permit the agency to receive, from less than all taxing entities, a greater percentage of tax increment or to receive tax increment for a longer period of time, or both, than allowed under the adopted project area plan.

(4) (a) Notwithstanding Subsection (3) an adopted project area plan may be amended without complying with the notice and public hearing requirements of Subsections (3)(a) and (b) and without obtaining taxing entity committee approval under Subsection (3)(c)(i) if the amendment:

(i) makes a minor adjustment in the legal description of a project area boundary requested by a county assessor or county auditor to avoid inconsistent property boundary lines; or

(ii) subject to Subsection (4)(b), removes a parcel of real property from a project area because the agency determines that:

(A) the parcel is no longer blighted; or

(B) inclusion of the parcel is no longer necessary or desirable to the project area; and

(b) An amendment removing a parcel of real property from a project area under Subsection (4)(a)(ii) may not be made without the consent of the record property owner of the parcel being removed.

(5) (a) An amendment approved by board resolution under this section may not take effect

until adopted by ordinance of the legislative body of the community in which the project area that is the subject of the project area plan being amended is located.

(b) Upon a community legislative body passing an ordinance adopting an amendment to a project area plan, the agency whose project area plan was amended shall comply with the requirements of Section 17B-4-410 to the same extent as if the amendment were a project area plan.

Section 31. Section **17B-4-501** is enacted to read:

Part 5. Project Area Budget

17B-4-501. Project area budget -- Requirements for adopting -- Contesting the budget or procedure -- Time limit.

(1) If an agency anticipates funding all or a portion of a post-June 30, 1993 project area plan with tax increment, the agency shall, subject to Section 17B-4-503, adopt a project area budget as provided in this part.

(2) To adopt a project area budget, the agency shall:

(a) prepare a draft of a project area budget;

(b) make a copy of the draft project area budget available to the public at the agency's offices during normal business hours;

(c) provide notice of the budget hearing as required by Part 7, Notice Requirements;

(d) at least seven days before the budget hearing:

(i) publish a display advertisement that complies with Section 17B-4-502 in a newspaper that is:

(A) of general circulation within the county in which the proposed project area is located; and

(B) to the extent practicable, of general interest and readership and not of limited subject matter; or

(ii) if there is no newspaper of general circulation within the county in which the proposed project area is located, post a notice that complies with Section 17B-4-502 in at least three conspicuous places within the agency's boundaries;

(e) hold a public hearing on the draft project area budget and, at that public hearing, allow

public comment on:

(i) the draft project area budget; and

(ii) whether the draft project area budget should be revised, adopted, or rejected;

(f) (i) if required under Subsection 17B-4-505(1), obtain the approval of the taxing entity committee on the draft project area budget or a revised version of the draft project area budget; or

(ii) if applicable, comply with the requirements of Subsection 17B-4-505(2); and

(g) after the budget hearing, hold a board meeting in the same meeting as the public hearing or in a subsequent meeting to:

(i) consider comments made and information presented at the public hearing relating to the draft project area budget; and

(ii) adopt by resolution the draft project area budget, with any revisions, as the project area budget.

(3) (a) For a period of 60 days after the agency's adoption of the project area budget under Subsection (2)(g), any person in interest may contest the project area budget or the procedure used to adopt the project area budget if the budget or procedure fails to comply with applicable statutory requirements.

(b) After the 60-day period under Subsection (3)(a) expires, no person may contest the project area budget or procedure used to adopt the project area budget for any cause.

Section 32. Section **17B-4-502** is enacted to read:

17B-4-502. Display advertisement requirements.

(1) (a) Each display advertisement published under Subsection 17B-4-501(2)(d) shall appear in a portion of the newspaper other than where legal notices and classified advertisements appear.

(2) Each display advertisement published and notice posted under Subsection 17B-4-501(2)(d) shall contain:

(a) the following statement:

"NOTICE OF BUDGET HEARING FOR (NAME OF PROJECT AREA)

The (name of agency) has requested $_____ in property tax revenues that will be generated by development within the (name of project area) to fund a portion of project costs within

the (name of project area). These property tax revenues will be used for the following: (list major budget categories and amounts). These property taxes will be taxes levied by the following governmental entities, and, assuming current tax rates, the taxes paid to the agency for this project area from each taxing entity will be as follows: (list each taxing entity levying taxes and the amount of total taxes that would be paid from each taxing entity). All of the property taxes to be paid to the agency for the development in the project area are taxes that will be generated only if the project area is developed.

All concerned citizens are invited to attend the project area budget hearing scheduled for (date, time, and place of hearing). A copy of the (name of project area) project area budget is available at the offices of (name of agency and office address)."; and

(b) other information that the agency considers appropriate.

Section 33. Section **17B-4-503** is enacted to read:

17B-4-503. Combined incremental value -- Restriction against adopting project area budget -- Taxing entity committee may waive restriction.

(1) For purposes of this section:

(a) "Adjusted tax increment" means:

(i) for tax increment under a pre-July 1, 1993 project area plan, tax increment under Section 17B-4-1003, excluding tax increment under Subsection 17B-4-1003(3); and

(ii) for tax increment under a post-June 30, 1993 project area plan, tax increment under Section 17B-4-1004, excluding tax increment under Subsection 17B-4-1004(3).

(b) "Combined incremental value" means the combined total of all incremental values from all project areas within the agency's boundaries under adopted project area plans and adopted project area budgets at the time that a project area budget for a new project area is being considered.

(c) "Incremental value" means a figure derived by multiplying the marginal value of the property located within a project area on which tax increment is collected by a number that represents the percentage of adjusted tax increment from that project area that is paid to the agency.

(d) "Marginal value" means the difference between actual taxable value and base taxable value.

(e) "Taxable value" means the value of property as shown on the last equalized assessment roll as certified by the county assessor.

(2) (a) Except as provided in Subsection (2)(b), an agency may not adopt a project area budget if, at the time the project area budget is being considered, the combined incremental value for the agency exceeds 10% of the total taxable value of property within the agency's boundaries in the year that the project area budget is being considered.

(b) A taxing agency committee may waive the restrictions imposed by Subsection (2)(a).

Section 34. Section **17B-4-504** is enacted to read:

17B-4-504. Part of tax increment funds to be used for housing -- Waiver of requirement.

(1) (a) Except as provided in Subsection (1)(b), each project area budget adopted on or after May 1, 2000 that provides for more than $100,000 of annual tax increment to be paid to the agency shall allocate at least 20% of the tax increment for housing as provided in Section 17B-4-1010.

(b) The 20% requirement of Subsection (1)(a) may be waived in part or whole by the mutual consent of the trust fund board and the taxing entity committee if they determine that 20% of tax increment is more than is needed to address the community's need for income targeted housing, as defined in Section 17B-4-1010.

(2) A project area budget not required under Subsection (1)(a) to allocate tax increment for housing may allocate 20% of tax increment payable to the agency over the life of the project area for housing as provided in Section 17B-4-1010 if the project area budget is under a project area plan that is adopted on or after July 1, 1998.

Section 35. Section **17B-4-505** is enacted to read:

17B-4-505. Consent of taxing entity committee.

(1) (a) Except as provided in Subsection (1)(b) and subject to Subsection (2), each agency shall obtain the consent of the taxing entity committee for each project area budget under a post-June 30, 1993 project area plan before the agency may collect any tax increment from the project area.

(b) For a project area budget adopted from July 1, 1998 through May 1, 2000 that allocates 20% or more of the tax increment for housing as provided in Section 17B-4-1010, an agency:

(i) need not obtain the consent of the taxing entity committee for the project area budget; and

(ii) may not collect any tax increment from all or part of the project area until after:

(A) the trust fund board has certified the project area budget as complying with the requirements of Section 17B-4-1010; and

(B) the agency board has approved and adopted the project area budget by a two-thirds vote.

(2) (a) Before a taxing entity committee may consent to a project area budget adopted on or after May 1, 2000 that is required under Subsection 17B-4-504(1)(a) to allocate 20% of tax increment for housing, the agency shall:

(i) adopt a housing plan showing the uses for the housing funds; and

(ii) provide a copy of the housing plan to the taxing entity committee and the trust fund board.

(b) If an agency amends a housing plan prepared under Subsection (2)(a), the agency shall provide a copy of the amendment to the taxing entity committee and the trust fund board.

Section 36. Section **17B-4-506** is enacted to read:

17B-4-506. Filing a copy of the project area budget.

Each agency adopting a project area budget shall:

(1) within 30 days after adopting the project area budget, file a copy of the project area budget with the auditor of the county in which the project area is located, the State Tax Commission, the state auditor, the State Board of Education, and each taxing entity affected by the agency's collection of tax increment under the project area budget; and

(2) if the project area budget allocates tax increment for housing under Section 17B-4-1010, file a copy of the project area budget with the trust fund board.

Section 37. Section **17B-4-507** is enacted to read:

17B-4-507. Amending the project area budget.

(1) An agency may by resolution amend a project area budget as provided in this section.

(2) To amend an adopted project area budget, the agency shall:

(a) advertise and hold one public hearing on the proposed amendment as provided in Subsection (3);

(b) obtain the approval of the taxing entity committee if the agency was required under Section 17B-4-505 to obtain the consent of the taxing entity committee for the project area budget as originally adopted; and

(c) adopt a resolution amending the project area budget.

(3) The public hearing required under Subsection (2)(a) shall be conducted according to the procedures and requirements of Sections 17B-4-501 and 17B-4-502, except that if the amended project area budget proposes that the agency be paid a greater proportion of tax increment from a project area than was to be paid under the previous project area budget, the advertisement shall state the percentage paid under the previous project area budget and the percentage proposed under the amended project area budget.

(4) If a proposed amendment is not adopted, the agency shall continue to operate under the previously adopted project area budget without the proposed amendment.

Section 38. Section **17B-4-601** is enacted to read:

Part 6. Blight Determination in Redevelopment Project Areas

17B-4-601. Additional procedure for adopting a redevelopment project area plan.

In addition to other applicable requirements for adopting a project area plan, to adopt a redevelopment project area plan the agency shall:

(1) cause a blight study to be conducted within the survey area as provided in Section 17B-4-602;

(2) provide notice of a blight hearing as required under Part 7, Notice Requirements;

(3) hold a blight hearing as provided in Section 17B-4-603; and

(4) after the blight hearing has been held, hold a board meeting, either at the same time as the blight hearing or at a subsequent board meeting, at which the board shall:

(a) consider:

(i) the issue of blight and the evidence and information relating to the existence or nonexistence of blight; and

(ii) whether adoption of one or more redevelopment project area plans should be pursued; and

(b) by resolution make a finding regarding the existence of blight in the proposed redevelopment project area.

Section 39. Section **17B-4-602** is enacted to read:

17B-4-602. Blight study -- Requirements -- Deadline.

(1) Each blight study required under Subsection 17B-4-601(1) shall:

(a) provide data so the board may determine:

(i) whether the conditions described in Subsections 17B-4-604(1)(a) and (b) exist in part or all of the survey area; and

(ii) whether the factors listed in Subsection 17B-4-604(1)(c) are present in the survey area;

(b) include a written report setting forth:

(i) the conclusions reached; and

(ii) any other information requested by the agency to determine whether a redevelopment project area is feasible; and

(c) be completed within one year after the adoption of the survey area resolution.

(2) (a) If a blight study is not completed within one year after the adoption of the resolution under Subsection 17B-4-401(1)(a) designating a survey area, the agency may not approve a redevelopment project area plan based on that blight study unless it first adopts a new resolution under Subsection 17B-4-401(1)(a).

(b) A new resolution under Subsection (2)(a) shall in all respects be considered to be a resolution under Subsection 17B-4-401(1)(a) adopted for the first time, except that any actions taken toward completing a blight study under the resolution that the new resolution replaces shall be considered to have been taken under the new resolution.

Section 40. Section **17B-4-603** is enacted to read:

17B-4-603. Blight hearing -- Owners may review evidence of blight.

(1) In each hearing required under Subsection 17B-4-601(3), the agency shall:

(a) permit all evidence of the existence or nonexistence of blight within the proposed redevelopment project area to be presented; and

(b) permit each record owner of property located within the proposed redevelopment project

area or the record property owner's representative the opportunity to:

(i) examine and cross-examine witnesses providing evidence of the existence or nonexistence of blight; and

(ii) present evidence and testimony, including expert testimony, concerning the existence or nonexistence of blight.

(2) The board shall allow record owners of property located within a proposed redevelopment project area the opportunity, for at least 30 days before the hearing, to review the evidence of blight compiled by the agency or by the person or firm conducting the blight study for the agency, including any expert report.

Section 41. Section **17B-4-604** is enacted to read:

17B-4-604. Conditions on board determination of blight -- Conditions of blight caused by the developer.

(1) An agency board may not make a finding of blight in a resolution under Subsection 17B-4-601(4)(b) unless the board finds that the redevelopment project area:

(a) contains buildings or improvements used or intended to be used for residential, commercial, industrial, or other urban purposes, or any combination of those uses;

(b) contains buildings or improvements on at least 50% of the number of parcels of private real property whose acreage is at least 50% of the acreage of the private real property within the proposed redevelopment project area; and

(c) is unfit or unsafe to occupy or may be conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime because of any three or more of the following factors:

(i) defective character of physical construction;

(ii) high density of population or overcrowding;

(iii) inadequate ventilation, light, or spacing between buildings;

(iv) mixed character and shifting of uses, resulting in obsolescence, deterioration, or dilapidation;

(v) economic deterioration or continued disuse;

(vi) lots of irregular shape or inadequate size for proper usefulness and development, or laying out of lots in disregard of the contours and other physical characteristics of the ground and surrounding conditions;

(vii) inadequate sanitation or public facilities which may include streets, open spaces, and utilities;

(viii) areas that are subject to being submerged by water; and

(ix) existence of any hazardous or solid waste, defined as any substance defined, regulated, or listed as a hazardous substance, hazardous material, hazardous waste, toxic waste, pollutant, contaminant, or toxic substance, or identified as hazardous to human health or the environment under state or federal law or regulation.

(2) (a) For purposes of Subsection (1), if a developer involved in the redevelopment project causes a condition listed in Subsection (1)(c) within the project area, the condition caused by the developer may not be used in the determination of blight.

(b) Subsection (2)(a) does not apply to a condition that was caused by an owner or tenant who becomes a developer under Section 17B-4-901.

Section 42. Section **17B-4-605** is enacted to read:

17B-4-605. Challenging a finding of blight -- Time limit -- De novo review.

(1) If the board makes a finding of blight under Subsection 17B-4-601(4)(b), a record owner of property located within the proposed redevelopment project area may challenge the finding by filing an action with the district court for the county in which the property is located.

(2) Each challenge under Subsection (1) shall be filed within 30 days after the board's adoption of the resolution containing the finding of blight.

(3) In each action under this section:

(a) the district court shall review de novo the finding of blight; and

(b) the agency maintains the burden of proof regarding the existence of blight.

Section 43. Section **17B-4-701** is enacted to read:

Part 7. Notice Requirements

17B-4-701. Agency to provide notice of hearings.

(1) Each agency shall provide notice, as provided in this part, of each:

(a) blight hearing;

(b) public input hearing;

(c) plan hearing; and

(e) budget hearing.

(2) (a) The notice required under Subsection (1) for a blight hearing may be combined with the notice required for a public input hearing if those two hearings are combined under Subsection 17B-4-801(1).

(b) The notice required under Subsection (1) for a plan hearing may be combined with the notice required for a budget hearing if those two hearings are combined under Subsection 17B-4-801(2).

Section 44. Section **17B-4-702** is enacted to read:

17B-4-702. Requirements for notice provided by agency.

(1) The notice required by Section 17B-4-701 shall be given by:

(a) (i) publishing notice in a newspaper of general circulation within the county in which the project area or proposed project area is located, at least once a week for the four successive weeks immediately preceding the hearing; or

(ii) if there is no newspaper of general circulation, posting notice in at least three conspicuous places within the county in which the project area or proposed project area is located;

(b) at least 30 days before the hearing:

(i) sending notice by certified mail to:

(A) each assessment owner of property located within the project area or proposed project area; and

(B) each assessment owner of property located outside but within 300 feet of the project area or proposed project area;

(ii) mailing notice to:

(A) the State Tax Commission;

(B) the assessor and auditor of the county in which the project area or proposed project area

is located; and

(C) (I) each member of the taxing entity committee; or

(II) if a taxing entity committee has not yet been formed, the State Board of Education and the legislative body or governing board of each taxing entity.

(2) The agency shall include in each notice required under Section 17B-4-701:

(a) a specific description of the boundaries of the project area or proposed project area;

(b) a map of the boundaries of the project area or proposed project area;

(c) an explanation of the purpose of the hearing;

(d) a statement of the date, time, and location of the hearing.

(3) The agency shall include in each notice under Subsection (1)(b)(ii):

(a) a statement that property tax revenues resulting from an increase in valuation of property within the project area or proposed project area will be paid to the agency for redevelopment, economic development, or education housing development purposes rather than to the taxing entity to which the tax revenues would otherwise have been paid if:

(i) a majority of the taxing entity committee consents to the project area budget; and

(ii) the project area plan provides for the agency to receive tax increment; and

(b) an invitation to the recipient of the notice to submit to the agency comments concerning the subject matter of the hearing before the date of the hearing.

(4) An agency may include in a notice under Subsection (1) any other information the agency considers necessary or advisable, including the public purpose served by the project and any future tax benefits expected to result from the project.

Section 45. Section **17B-4-703** is enacted to read:

17B-4-703. Additional requirements for notices relating to redevelopment.

(1) The first notice to an assessment owner of property within a proposed redevelopment project area for a public input hearing, blight hearing, or combined public input and blight hearing under Subsection 17B-4-801(1) shall include the statement required by Section 17B-4-902.

(2) Each notice under Section 17B-4-702 for a blight hearing shall include a statement that:

(a) a redevelopment project area is being proposed;

(b) the proposed redevelopment project area may be declared to have blight;

(c) the record owner of property within the proposed project area has the right to present evidence at the blight hearing contesting the existence of blight;

(d) the agency will notify the assessment property owner of each additional public hearing held by the agency concerning the redevelopment project prior to the adoption of the redevelopment project area plan; and

(e) persons contesting the existence of blight in the proposed redevelopment project area may appear before the agency board and show cause why the proposed redevelopment project area should not be designated as a redevelopment project area.

Section 46. Section **17B-4-704** is enacted to read:

17B-4-704. Additional requirements for notice of hearing on draft project area plan.

Each notice under Section 17B-4-702 of a plan hearing shall include:

(1) a statement that any person objecting to the draft project area plan or contesting the regularity of any of the proceedings to adopt it may appear before the agency board at the hearing to show cause why the draft project area plan should not be adopted; and

(2) a statement that the proposed project area plan is available for inspection at the agency offices.

Section 47. Section **17B-4-705** is enacted to read:

17B-4-705. Notice required for continued hearing.

The board shall give notice of a hearing continued under Section 17B-4-802 by:

(1) announcing at the hearing the date, time, and place the hearing will be resumed; or

(2) causing a notice of the continued hearing to be:

(a) published once in a newspaper of general circulation within the agency boundaries at least seven days before the hearing is scheduled to resume; or

(b) if there is no newspaper of general circulation, posted in at least three conspicuous places within the boundaries of the agency in which the project area or proposed project area is located.

Section 48. Section **17B-4-801** is enacted to read:

Part 8. Hearing Provisions

17B-4-801. Combining hearings.

A board may combine:

(1) a blight hearing with a public input hearing; and

(2) a plan hearing with a budget hearing.

Section 49. Section **17B-4-802** is enacted to read:

17B-4-802. Continuing a hearing.

By announcing at the hearing that it is being continued to a later date, the board may continue from time to time a:

(1) blight hearing;

(2) public input hearing;

(3) combined blight hearing and plan hearing under Subsection 17B-4-801(1);

(4) plan hearing;

(5) budget hearing; or

(6) combined plan hearing and budget hearing under Subsection 17B-4-801(2).

Section 50. Section **17B-4-901** is enacted to read:

Part 9. Rights of Owners of Property in Redevelopment Projects

17B-4-901. Property owner and tenant opportunities to participate in redevelopment project -- Preferential opportunities.

(1) Each agency shall provide record owners of property located within and tenants within a redevelopment project area reasonable opportunities to enter into a participation agreement with the agency through which the owner or tenant may participate in the redevelopment, consistent with the redevelopment project area plan.

(2) (a) Owner participation in redevelopment under a participation agreement may consist of one or more of the following:

(i) retaining, maintaining, and, if necessary, rehabilitating all or portions of the owner's property;

(ii) acquiring adjacent or other properties in the redevelopment project area;

(iii) selling all or portions of the owner's improvements to the agency, retaining the land, and

developing the owner's property;

(iv) selling all or portions of the owner's property to the agency and purchasing other property in the redevelopment project area;

(v) selling all or a portion of the owner's property to the agency and obtaining preferences to reenter the redevelopment project area; and

(vi) other methods approved by the agency.

(b) Tenant participation in redevelopment under a participation agreement may consist of:

(i) becoming an owner of property in the redevelopment project area, subject to the opportunities of persons who are already record owners of property in the redevelopment project area; and

(ii) other methods approved by the agency.

(3) An agency may extend reasonable preferential opportunities to record property owners and tenants in a redevelopment project area ahead of persons and entities from outside the redevelopment project area, to be owners and tenants in the redevelopment project area during and after the completion of the redevelopment.

Section 51. Section **17B-4-902** is enacted to read:

17B-4-902. Statement of rights of owners of property in redevelopment project area.

(1) Before sending the first notice to assessment owners of property for a public input hearing, blight hearing, or combined public input and blight hearing, each agency shall prepare a written statement regarding the rights of record property owners within a proposed redevelopment project area.

(2) Each written statement under Subsection (1) shall include a statement explaining:

(a) the right of each record property owner and the process to follow to:

(i) object to the inclusion of the record property owner's property within the redevelopment project area;

(ii) object to any required proceeding of the agency in the creation of the redevelopment project area; and

(iii) propose amendments or modifications to the draft redevelopment project area plan;

(b) the right of each record property owner to obtain any document from the agency including:

(A) the blight study;

(B) the draft redevelopment project area plan;

(C) the planning commission report on the redevelopment project area plan;

(D) the owner participation guidelines developed under Subsection 17B-4-402(1)(h)(iv);

(E) the relocation guidelines developed by the agency under Section 57-12-9; and

(F) other documents used by the agency in preparing the redevelopment project area plan or draft redevelopment project area plan; and

(c) the times during which the agency will be available to meet with the record property owner to discuss the process of formulating and implementing the redevelopment project area plan.

(3) Each agency shall, at no charge, provide to a record owner of property within the redevelopment project area one copy of the documents listed in Subsection (2)(b) if the record property owner requests the documents.

(4) A person may bring a civil action against an agency for a violation of this section that results in damage to that person.

Section 52. Section **17B-4-1001** is enacted to read:

Part 10. Tax Increment

17B-4-1001. Agency receipt and use of tax increment -- Distribution of tax increment.

(1) An agency may receive and use tax increment, as provided in this part.

(2) (a) The applicable length of time or number of years for which an agency is to be paid tax increment under this part shall be measured from the first tax year regarding which the agency accepts tax increment from the project area.

(b) Tax increment may not be paid to an agency for a tax year prior to the tax year following the effective date of the project area plan.

(3) With the written consent of a taxing entity, an agency may be paid tax increment, from that taxing entity's tax revenues only, in a higher percentage or for a longer period of time, or both, than otherwise authorized under this chapter.

(4) Each county that collects property tax on property within a project area shall pay and distribute to the agency the tax increment that the agency is entitled to collect under this chapter, in the manner and at the time provided in Section 59-2-1365.

Section 53. Section **17B-4-1002** is enacted to read:

17B-4-1002. Taxing entity committee.

(1) Each agency that adopts or proposes to adopt a post-June 30, 1993 project area plan shall, and any other agency may, cause a taxing entity committee to be created.

(2) (a) (i) Each taxing entity committee shall be composed of:

(A) two school district representatives appointed as provided in Subsection (2)(a)(ii);

(B) two representatives appointed by resolution of the legislative body of the county in which the agency is located;

(C) if the agency was created by a city or town, two representatives appointed by resolution of the legislative body of that city or town;

(D) one representative appointed by the State Board of Education; and

(E) one representative selected by majority vote of the legislative bodies or governing boards of all other taxing entities that levy a tax on property within the agency's boundaries, to represent the interests of those taxing entities on the taxing entity committee.

(ii) (A) If the agency boundaries include only one school district, that school district shall appoint the two school district representatives under Subsection (2)(a)(i)(A).

(B) If the agency boundaries include more than one school district, those school districts shall jointly appoint the two school district representatives under Subsection (2)(a)(i)(A).

(b) (i) Each taxing entity committee representative under Subsection (2) shall be appointed within 30 days after the agency provides notice of the creation of the taxing entity committee.

(ii) If a representative is not appointed within the time required under Subsection (2)(b)(i), the agency board may appoint a person to serve on the taxing entity committee in the place of the missing representative until that representative is appointed.

(c) (i) A taxing entity committee representative may be appointed for a set term or period of time, as determined by the appointing authority under Subsection (2)(a)(i).

(ii) Each taxing entity committee representative shall serve until a successor is appointed and qualified.

(d) (i) Upon the appointment of each representative under Subsection (2)(a)(i), whether an initial appointment or an appointment to replace an already serving representative, the appointing authority shall:

(A) notify the agency in writing of the name and address of the newly appointed representative; and

(B) provide the agency a copy of the resolution making the appointment or, if the appointment is not made by resolution, other evidence of the appointment.

(ii) Each appointing authority of a taxing entity committee representative under Subsection (2)(a)(i) shall notify the agency in writing of any change of address of a representative appointed by that appointing authority.

(3) A taxing entity committee represents all taxing entities regarding a project area and may:

(a) cast votes that will be binding on all taxing entities;

(b) negotiate with the agency concerning a draft project area plan;

(c) approve or disapprove a project area budget as provided in Section 17B-4-505;

(d) approve or disapprove amendments to a project area budget as provided in Section 17B-4-507;

(e) approve exceptions to the limits on the value and size of a project area imposed under this chapter;

(f) approve exceptions to the percentage of tax increment and the period of time that tax increment is paid to the agency as provided in this part;

(g) approve the use of tax increment for access and utilities outside of a project area that the agency and community legislative body determine to be of benefit to the project area, as provided in Subsection 17B-4-1007(1)(a)(ii)(D);

(h) waive the restrictions imposed by Subsection 17B-4-503(2)(a); and

(i) give other taxing entity committee approval or consent required or allowed under this chapter.

(4) A quorum of a taxing entity committee consists of:

(a) except as provided in Subsection (4)(b):

(i) if the project area is located within a city or town, five members; or

(ii) if the project area is not located within a city or town, four members; or

(b) for an education housing development project area as to which the school district has elected under Subsection 17B-4-1004(5) not to allow the agency to be paid tax increment from school district tax revenues:

(i) if the project area is located within a city or town, three members; or

(ii) if the project area is not located within a city or town, two members.

(5) Taxing entity committee approval, consent, or other action requires the affirmative vote of a majority of a quorum present at a taxing entity committee meeting.

(6) Each taxing entity committee shall be governed by Title 52, Chapter 4, Open and Public Meetings.

Section 54. Section **17B-4-1003** is enacted to read:

17B-4-1003. Tax increment under a pre-July 1, 1993 project area plan.

(1) This section applies to tax increment under a pre-July 1, 1993 project area plan only.

(2) (a) Beginning with the first tax year after April 1, 1983 for which an agency accepts tax increment, an agency may be paid:

(i) (A) for the first through the fifth tax years, 100% of tax increment;

(B) for the sixth through the tenth tax years, 80% of tax increment;

(C) for the eleventh through the fifteenth tax years, 75% of tax increment;

(D) for the sixteenth through the twentieth tax years, 70% of tax increment; and

(E) for the twenty-first through the twenty-fifth tax years, 60% of tax increment; or

(ii) for an agency that has caused a taxing entity committee to be created under Subsection 17B-4-1002(1), any percentage of tax increment up to 100% and for any length of time that the taxing entity committee approves.

(b) Notwithstanding any other provision of this section:

(i) an agency may be paid 100% of tax increment from a project area for 32 years after April

1, 1983 to pay principal and interest on agency indebtedness incurred before April 1, 1983, even though the size of the project area from which tax increment is paid to the agency exceeds 100 acres of privately owned property under a project area plan adopted on or before April 1, 1983; and

(ii) for up to 32 years after April 1, 1983, an agency debt incurred before April 1, 1983 may be refinanced and paid from 100% of tax increment if the principal amount of the debt is not increased in the refinancing.

(3) (a) For purposes of this Subsection (3), "additional tax increment" means the difference between 100% of tax increment for a tax year and the amount of tax increment an agency is paid for that tax year under the percentages and time periods specified in Subsection (2)(a).

(b) Notwithstanding the tax increment percentages and time periods in Subsection (2)(a) and Subsection 17B-4-403(1)(m)(i), an agency established by the legislative body of a city of the first or second class or by a city that is located in a county of the first class may be paid additional tax increment for a period ending 32 years after the first tax year after April 1, 1983 for which the agency
receives tax increment from the project area if:

(i) (A) the additional tax increment is used solely to pay all or part of the value of the land for and the cost of the installation and construction of a publicly or privately owned convention center or sports complex or any building, facility, structure, or other improvement related to the convention center or sports complex, including parking and infrastructure improvements;

(B) construction of the convention center or sports complex or related building, facility, structure, or other improvement is commenced on or before June 30, 2002;

(C) the additional tax increment is pledged to pay all or part of the value of the land for and the cost of the installation and construction of the convention center or sports complex or related building, facility, structure, or other improvement; and

(D) the agency board and the community legislative body have determined by resolution that the convention center or sports complex is:

(I) within and a benefit to a project area;

(II) not within but still a benefit to a project area; or

(III) within a project area in which substantially all of the land is publicly owned and a

benefit to the community.

(ii) (A) the additional tax increment is used to pay some or all of the cost of the land for and installation and construction of a recreational facility, as defined in Section 59-12-702, or a cultural facility, including parking and infrastructure improvements related to the recreational or cultural facility, whether or not the facility is located within a project area;

(B) construction of the recreational or cultural facility is commenced on or before June 30, 2002; and

(C) the additional tax increment is pledged on or before June 30, 2002 to pay all or part of the cost of the land for and the installation and construction of the recreational or cultural facility, including parking and infrastructure improvements related to the recreational or cultural facility;

(iii) (A) the additional tax increment 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 Fund under Section 72-2-118 as part of the construction of Interstate 15, whether or not the underpass is located within a project area;

(B) construction of the underpass is commenced on or before June 30, 2002; and

(C) the additional tax increment is pledged on or before June 30, 2002 to pay all or part of the cost of the installation and construction of the underpass;

(iv) (A) the additional tax increment is used solely to pay all or part of the cost of the installation, construction, or reconstruction of the 10000 South underpass or the 11400 South or 12300 South interchange on I-15 in Salt Lake County, whether or not the underpass is located within a project area;

(B) construction on the underpass or interchange is commenced on or before June 30, 2002; and

(C) the additional tax increment is pledged on or before June 30, 2002 to pay all or part of the cost of the installation, construction, or reconstruction of the underpass or interchange; or

(v) (A) the additional tax increment is used solely to pay part of the cost of relocating an agriculture related business, except a relocation resulting from the agency's exercise of eminent domain, from a city of the first class to another location within a county of the third, fourth, fifth, or

sixth class, whether or not the agriculture related business is located within or is being relocated to a project area;

(B) the process of relocating the agriculture related business is commenced on or before December 31, 2002; and

(C) the additional tax increment is pledged on or before December 31, 2002 to pay part of the cost of relocating the agriculture related business.

(c) Notwithstanding Subsection (3)(b), a school district may not, without its consent, be paid less tax increment because of application of Subsection (3)(b) than it would have been paid without that subsection.

(4) Notwithstanding any other provision of this section, an agency may use tax increment received under Subsection (2) for any of the uses indicated in Subsection (3).

Section 55. Section **17B-4-1004** is enacted to read:

17B-4-1004. Tax increment under a post-June 30, 1993 project area plan.

(1) This section applies to tax increment under a post-June 30, 1993 project area plan only.

(2) An agency board may provide in the project area budget for the agency to be paid:

(a) if 20% of the project area budget is allocated for housing under Section 17B-4-504:

(i) 100% of annual tax increment for 15 years;

(ii) 75% of annual tax increment for 24 years; or

(iii) if approved by the taxing entity committee, any percentage of tax increment up to 100% for any period of time; or

(b) if 20% of the project area budget is not allocated for housing under Section 17B-4-504:

(i) 100% of annual tax increment for 12 years;

(ii) 75% of annual tax increment for 20 years; or

(iii) if approved by the taxing entity committee, any percentage of tax increment up to 100% for any period of time.

(3) (a) An agency may, without the approval of the taxing entity committee, elect to be paid 100% of annual tax increment for each year beyond the periods specified in Subsection (2) to a maximum of 25 years, including the years the agency is paid tax increment under Subsection (2), if:

(i) for an agency in a city in which is located all or a portion of an interchange on I-15 or that would directly benefit from an interchange on I-15:

(A) the tax increment paid to the agency during the additional years is used to pay some or all of the cost of the installation, construction, or reconstruction of:

(I) an interchange on I-15; or

(II) frontage and other roads connecting to the interchange, as determined by the Department of Transportation created under Section 72-1-201 and the Transportation Commission created under Section 72-1-301; and

(B) the installation, construction, or reconstruction of the interchange or frontage and other roads has begun on or before June 30, 2002;

(ii) for an agency in a city of the first or second class:

(A) the tax increment paid to the agency during the additional years is used to pay some or all of the cost of the land for and installation and construction of a recreational facility, as defined in Subsection 59-19-702(3), or a cultural facility, including parking and infrastructure improvements related to the recreational or cultural facility; and

(B) the installation or construction of the recreational or cultural facility has begun on or before June 30, 2002.

(b) Notwithstanding Subsection (3)(a), a school district may not, without its consent, receive less tax increment because of application of Subsection (3)(a) than it would have received without that subsection.

(4) Unless the taxing entity committee consents, an agency may not be paid tax increment more than 25 years after adoption of the project area plan.

(5) (a) A school district that levies a tax on property located within a project area under an education housing development project area plan may elect not to allow the agency to be paid tax increment from the property tax revenues generated by the school district.

(b) An election under Subsection (5)(a) shall be made in writing to the agency before the taxing entity committee's approval of the project area budget.

(c) If a school district makes an election under this Subsection (5):

(i) the agency may not be paid tax increment from property tax revenues generated by the school district; and

(ii) the school district representatives and the State Board of Education representative on the taxing entity committee may not vote on any matter concerning the education housing development project area or project area budget.

Section 56. Section **17B-4-1005** is enacted to read:

17B-4-1005. Limitations on tax increment.

(1) (a) If the development of retail sales of goods is the primary objective of the project area, tax increment may not be paid to or used by an agency unless a finding of blight is made under Part 6, Blight Determination in Redevelopment Project Areas.

(b) (i) Incidental or subordinate development of retail sales of goods does not disqualify an agency from receiving tax increment.

(ii) Incidental or subordinate development of retail sales of goods includes the development of retail sales of goods resulting from 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 the convention center or sports complex.

(2) (a) An agency may not be paid any portion of a taxing entity's taxes resulting from an increase in the taxing entity's tax rate that occurs after the taxing entity committee approves the project area budget unless, at the time the taxing entity committee approves the project area budget, the taxing entity committee approves payment of those increased taxes to the agency.

(b) If the taxing entity committee does not approve of payment of the increased taxes to the agency under Subsection (2)(a), the county shall distribute to the taxing entity the taxes attributable to the tax rate increase in the same manner as other property taxes.

Section 57. Section **17B-4-1006** is enacted to read:

17B-4-1006. Base taxable value to be adjusted to reflect other changes.

(1) (a) (i) As used in this Subsection (1), "qualifying decrease" means:

(A) a decrease of more than 20% from the previous tax year's levy; or

(B) a cumulative decrease over a consecutive five-year period of more than 100% from the levy in effect at the beginning of the five-year period.

(ii) The year in which a qualifying decrease under Subsection (1)(a)(i)(B) occurs is the fifth year of the five-year period.

(b) If there is a qualifying decrease in the minimum basic school levy under Section 59-2-902 that would result in a reduction of the amount of tax increment to be paid to an agency:

(i) the base taxable value of taxable property within the project area shall be reduced in the year of the qualifying decrease to the extent necessary, even if below zero, to provide the agency with approximately the same amount of tax increment that would have been paid to the agency each year had the qualifying decrease not occurred; and

(ii) the amount of tax increment paid to the agency each year for the payment of bonds and indebtedness may not be less than what would have been paid to the agency if there had been no qualifying decrease.

(2) (a) The amount of the base taxable value to be used in determining tax increment shall be:

(i) increased or decreased by the amount of an increase or decrease that results from:

(A) a statute enacted by the Legislature or by the people through an initiative;

(B) a judicial decision;

(C) an order from the State Tax Commission to a county to adjust or factor its assessment rate under Subsection 59-2-704(2);

(D) a change in exemption provided in Utah Constitution Article XIII, Section 2, or Section 59-2-103; or

(E) an increase or decrease in the percentage of fair market value, as defined under Section 59-2-102; and

(ii) reduced for any year to the extent necessary, even if below zero, to provide an agency with approximately the same amount of money the agency would have received without a reduction in the county's certified tax rate if:

(A) in that year there is a decrease in the county's certified tax rate under Subsection

59-2-924(2)(c) or (d)(i);

(B) the amount of the decrease is more than 20% of the county's certified tax rate of the previous year; and

(C) the decrease would result in a reduction of the amount of tax increment to be paid to the agency.

(b) Notwithstanding an increase or decrease under Subsection (2)(a), the amount of tax increment paid to an agency each year for payment of bonds or other indebtedness may not be less than would have been paid to the agency each year if there had been no increase or decrease under Subsection (2)(a).

Section 58. Section **17B-4-1007** is enacted to read:

17B-4-1007. Allowable uses of tax increment.

(1) (a) An agency may use tax increment:

(i) for any of the purposes for which the use of tax increment is authorized under this chapter;

(ii) to pay for, including financing or refinancing, all or part of:

(A) the redevelopment, economic development, or education housing development in the project area from which the tax increment funds were collected;

(B) housing expenditures, projects, or programs as provided in Section 17B-4-1009 or 17B-4-1010;

(C) with the consent of the community legislative body and subject to Subsection (3), the value of the land for and the cost of the installation and construction of any publicly owned building, facility, structure, landscaping, or other improvement within the project area from which the tax increment funds were collected; and

(D) with the consent of the community legislative body and the taxing entity committee, the cost of the installation of publicly owned utilities and access outside the project area from which the tax increment funds were collected if the agency board and the community legislative body determine by resolution that the utilities and access are of benefit to the project area; or

(iii) for administrative, overhead, legal, and other operating expenses of the agency.

(b) The determination of the agency board and the community legislative body under Subsection (1)(a)(ii)(D) regarding benefit to the project area shall be final and conclusive.

(2) (a) An agency may contract with the community that created the agency or another public entity to use tax increment to reimburse the cost of items authorized by this chapter to be paid by the agency that have been or will be paid by the community or other public entity.

(b) If land has been or will be acquired or the cost of an improvement has been or will be paid by another public entity and the land or improvement has been or will be leased to the community, an agency may contract with and make reimbursement from tax increment funds to the community.

(3) An agency created by a city of the first or second class may use tax increment from one project area in another project area to pay all or part of the value of the land for and the cost of installation and construction of a publicly or privately owned convention center or sports complex or any building, facility, structure, or other improvement related to the convention center or sports complex, including parking and infrastructure improvements, if:

(a) construction on the convention center or sports complex or related building, facility, structure, or other improvement begins on or before June 30, 2002; and

(b) the tax increment is pledged to pay all or part of the value of the land for and the cost of the installation and construction of the convention center or sports complex or related building, facility, structure, or other improvement.

(4) Notwithstanding any other provision of this chapter, an agency may not use tax increment
to construct municipal buildings, courts or other judicial buildings, or fire stations.

Section 59. Section **17B-4-1008** is enacted to read:

17B-4-1008. Agency may make payments to other taxing entities.

(1) An agency may grant tax increment or other agency funds to a taxing entity to offset some or all of the tax revenues that the taxing entity did not receive because of tax increment paid to the agency.

(2) (a) An agency may use tax increment or other agency funds to pay to a school district an amount of money that the agency determines to be appropriate to alleviate a financial burden or

detriment borne by the school district because of the redevelopment, economic development, or education housing development.

(b) Each agency that agrees to pay money to a school district under the authority of Subsection (2)(a) shall provide a copy of that agreement to the State Board of Education.

Section 60. Section **17B-4-1009** is enacted to read:

17B-4-1009. Agency may use tax increment for housing costs in other project areas -- Funds to be held in separate accounts.

(1) For purposes of this section, "affordable housing" means housing to be owned or occupied by persons and families of low or moderate income, as determined by resolution of the agency.

(2) An agency may:

(a) use tax increment from a project area to pay all or part of the value of the land for and the cost of installation, construction, and rehabilitation of any building, facility, structure, or other housing improvement, including infrastructure improvements related to housing, located in any project area within the agency's boundaries; and

(b) use up to 20% of tax increment outside of project areas for the purpose of replacing housing units lost by redevelopment, economic development, or education housing development, or increasing, improving, and preserving generally the affordable housing supply of the community that created the agency.

(3) (a) Each agency shall separately account for funds allocated under this section.

(b) Interest earned by the housing fund and any payments or repayments made to the agency for loans, advances, or grants of any kind from the fund, shall accrue to the housing fund.

(c) Each agency designating a housing fund under this section shall use the fund for:

(i) the purposes set forth in this section; or

(ii) the purposes set forth in this chapter relating to the redevelopment, economic development, or education housing development project area from which the funds originated.

(4) An agency may lend, grant, or contribute funds from the housing fund to a person, public entity, housing authority, private entity or business, or nonprofit corporation for affordable housing.

Section 61. Section **17B-4-1010** is enacted to read:

17B-4-1010. Income targeted housing -- Agency may use tax increment for income targeted housing.

(1) As used in this section:

(a) "Annual income" has the meaning as defined under regulations of the U.S. Department of Housing and Urban Development, 24 CFR, Part 813, as amended or as superseded by replacement regulations.

(b) "Fair share ratio" means the ratio derived by:

(i) for a city or town, comparing the percentage of all housing units within the city or town that are publicly subsidized income targeted housing units to the percentage of all housing units within the whole county that are publicly subsidized income targeted housing units; or

(ii) for the unincorporated part of a county, comparing the percentage of all housing units within the unincorporated county that are publicly subsidized income targeted housing units to the percentage of all housing units within the whole county that are publicly subsidized income targeted housing units.

(c) "Family" has the meaning as defined under regulations of the U.S. Department of Housing and Urban Development, 24 CFR, Part 813, as amended or as superseded by replacement regulations.

(d) "Housing funds" means the funds allocated in the project area budget under Section 17B-4-504 for the purposes provided in Subsection (2).

(e) "Income targeted housing" means housing to be owned or occupied by a family whose annual income is at or below 80% of the median annual income for the county in which the housing is located.

(f) "Unincorporated" means not within a city or town.

(2) (a) Each agency shall use all funds allocated for housing under this section to:

(i) pay part or all of the cost of land or construction of income targeted housing within the community that created the agency, if practicable in a mixed income development or area;

(ii) pay part or all of the cost of rehabilitation of income targeted housing within the

community that created the agency;

(iii) pay part or all of the cost of land or installation, construction, or rehabilitation of any building, facility, structure, or other housing improvement, including infrastructure improvements, related to housing located in a project area where blight has been found to exist;

(iv) replace housing units lost as a result of the redevelopment, economic development, or education housing development;

(v) make payments on or establish a reserve fund for bonds:

(A) issued by the agency, the community, or the housing authority that provides income targeted housing within the community; and

(B) all or part of the proceeds of which are used within the community for the purposes stated in Subsection (2)(a)(i), (ii), (iii), or (iv); or

(vi) if the community's fair share ratio at the time of the first adoption of the project area budget is at least 1.1 to 1.0, make payments on bonds:

(A) that were previously issued by the agency, the community, or the housing authority that provides income targeted housing within the community; and

(B) all or part of the proceeds of which were used within the community for the purposes stated in Subsection (2)(a)(i), (ii), (iii), or (iv).

(b) As an alternative to the requirements of Subsection (2)(a), an agency may pay all housing funds to:

(i) the community for use as provided under Subsection (2)(a);

(ii) the housing authority that provides income targeted housing within the community for use in providing income targeted housing within the community; or

(iii) the Olene Walker Housing Trust Fund, established under Title 9, Chapter 4, Part 7, Olene Walker Housing Trust Fund, for use in providing income targeted housing within the community.

(3) The agency or community shall separately account for the housing funds, together with all interest earned by the housing funds and all payments or repayments for loans, advances, or grants from the housing funds.

(4) In using housing funds under Subsection (2)(a), an agency may lend, grant, or contribute housing funds to a person, public body, housing authority, private entity or business, or nonprofit organization for use as provided in Subsection (2)(a).

(5) An agency may:

(a) issue bonds from time to time to finance a housing undertaking under this section, including the payment of principal and interest upon advances for surveys and plans or preliminary loans; and

(b) issue refunding bonds for the payment or retirement of bonds under Subsection (5)(a) previously issued by the agency.

(6) (a) If an agency fails to provide housing funds in accordance with the project area budget and, if applicable, the housing plan adopted under Subsection 17B-4-505(2), the trust fund board may bring legal action to compel the agency to provide the housing funds.

(b) In an action under Subsection (6)(a), the court:

(i) shall award the trust fund board a reasonable attorney's fee, unless the court finds that the action was frivolous; and

(ii) may not award the agency its attorney's fees, unless the court finds that the action was frivolous.

Section 62. Section **17B-4-1011** is enacted to read:

17B-4-1011. Base taxable value for new tax.

For purposes of calculating tax increment with respect to a tax that a taxing entity levies for the first time after the effective date of the project area plan, the base taxable value shall be used, subject to any adjustments under Section 17B-4-1006.

Section 63. Section **17B-4-1101** is enacted to read:

Part 11. Eminent Domain in Redevelopment Project Area

17B-4-1101. Use of eminent domain in redevelopment project area -- Conditions -- Property devoted to a public use -- Relocation assistance.

(1) Subject to the provisions of this part, an agency may use eminent domain to acquire property within a redevelopment project area if:

(a) the agency board makes a finding of blight under Part 6, Blight Determination in Redevelopment Project Areas;

(b) the redevelopment project area plan provides for the use of eminent domain; and

(c) the agency commences the acquisition of the property within five years after the effective date of the redevelopment project area plan.

(2) (a) Subject to Subsection (2)(b), an agency may through eminent domain acquire property
within the redevelopment project area already devoted to a public use.

(b) Property of a public entity within a redevelopment project area may not be acquired without the public entity's consent.

(3) Each agency that acquires real or personal property by eminent domain shall comply with Title 57, Chapter 12, Utah Relocation Assistance Act.

Section 64. Section **17B-4-1102** is enacted to read:

17B-4-1102. Prerequisites to exercise of eminent domain -- Civil action authorized -- Record of good faith negotiations to be retained.

(1) Before an agency may exercise the power of eminent domain, the agency shall:

(a) negotiate in good faith with the affected record property owner;

(b) provide to each affected record property owner a written declaration that includes:

(i) an explanation of the eminent domain process and the reasons for using it including:

(A) the need for the agency to obtain an independent appraisal that indicates the fair market value of the property and how the fair market value was determined;

(B) a statement explaining agency compliance with the owner participation guidelines;

(C) a statement that the agency may adopt a resolution authorizing the agency to make an offer to the record property owner to purchase the property for the fair market value amount determined by the appraiser and that, if the offer is rejected, the agency has the right to acquire the property through a condemnation proceeding; and

(D) a statement that the agency will prepare an offer that will include the price the agency is offering for the property, an explanation of how the agency determined the price being offered, the legal description of the property, conditions of the offer, and the time at which the offer will

expire;

(ii) an explanation of the record property owner's relocation rights under Title 57, Chapter 12, Utah Relocation Assistance Act, and how to receive relocation assistance; and

(iii) a statement that the owner has the right to receive just compensation and an explanation of how to obtain it; and

(c) provide to the affected record property owner or the owner's designated representative a notice that is printed in a type size of at least ten-point type that contains:

(i) a description of the property to be acquired;

(ii) the name of the agency acquiring the property and the agency's contact person and telephone number; and

(iii) a copy of Title 57, Chapter 12, Utah Relocation Assistance Act.

(2) A person may bring a civil suit against an agency for a violation of Subsection (1)(b) that results in damage to that person.

(3) Each agency shall keep a record and evidence of the good faith negotiations required under Subsection (1)(a) and retain the record and evidence as provided in:

(a) Title 63, Chapter 2, Government Records Access and Management Act; or

(b) an ordinance or policy that the agency has adopted under Section 63-2-701.

(4) A record property owner whose property is being taken by an agency through the exercise of eminent domain may elect to receive for the real property being taken either fair market value or replacement property under Section 57-12-7.

Section 65. Section **17B-4-1103** is enacted to read:

17B-4-1103. Court award for court costs, attorney's fees, relocation expenses, and damage to fixtures or personal property.

If a property owner contests in district court an agency's exercise of eminent domain against that owner's property, the court may:

(1) if the amount of the court or jury award for the property exceeds the amount offered by the agency, award court costs and a reasonable attorney's fee, as determined by the court, to the owner;

(2) award a reasonable sum, as determined by the court or jury, as compensation for any costs and expenses of relocating an owner who occupied the acquired property, a party conducting a business on the acquired property, or a person displaced from the property, as permitted by Title 57, Chapter 12, Utah Relocation Assistance Act; and

(3) if fixtures or personal property owned by the owner of the acquired property or by a person conducting a business on the acquired property are damaged as a result of the acquisition or relocation, award an amount, as determined by the court or jury, to compensate for that damage.

Section 66. Section **17B-4-1104** is enacted to read:

17B-4-1104. Limitation on acquisition of property with existing building.

Without the consent of the owner, an agency may not acquire any real property on which an existing building is to be continued on its present site and in its present form and use unless:

(1) the building requires structural alteration, improvement, modernization, or rehabilitation;

(2) the site or lot on which the building is situated requires modification in size, shape, or use; or

(3) it is necessary to impose upon the property any of the standards, restrictions, and controls of the project area plan, and the owner fails or refuses to agree to participate in the project area plan.

Section 67. Section **17B-4-1201** is enacted to read:

Part 12. Bonds

17B-4-1201. Resolution authorizing issuance of agency bonds -- Characteristics of bonds.

(1) An agency may not issue bonds under this part unless the agency board first adopts a resolution authorizing their issuance.

(2) (a) As provided in the agency resolution authorizing the issuance of bonds under this part or the trust indenture under which the bonds are issued, bonds issued under this part may be issued in one or more series and may be sold at public or private sale and in the manner provided in the resolution or indenture.

(b) Bonds issued under this part shall bear the date, be payable at the time, bear interest at the rate, be in the denomination and in the form, carry the conversion or registration privileges, have

the rank or priority, be executed in the manner, be subject to the terms of redemption or tender, with or without premium, be payable in the medium of payment and at the place, and have other characteristics as provided in the agency resolution authorizing their issuance or the trust indenture under which they are issued.

Section 68. Section **17B-4-1202** is enacted to read:

17B-4-1202. Sources from which bonds may be made payable -- Agency powers regarding bonds.

(1) The principal and interest on bonds issued by an agency may be made payable from:

(a) the income and revenues of the projects financed with the proceeds of the bonds;

(b) the income and revenues of certain designated projects whether or not they were financed in whole or in part with the proceeds of the bonds;

(c) the income, proceeds, revenues, property, and funds of the agency derived from or held in connection with its undertaking and carrying out redevelopment, economic development, or education housing development;

(d) tax increment funds;

(e) agency revenues generally;

(f) a contribution, loan, grant, or other financial assistance from the federal government or a public entity in aid of redevelopment, economic development, or education housing development; or

(g) funds derived from any combination of the methods listed in Subsections (1)(a) through (f).

(2) In connection with the issuance of agency bonds, an agency may:

(a) pledge all or any part of its gross or net rents, fees, or revenues to which its right then exists or may thereafter come into existence;

(b) encumber by mortgage, deed of trust, or otherwise all or any part of its real or personal property, then owned or thereafter acquired; and

(c) make the covenants and take the action that may be necessary, convenient, or desirable to secure its bonds, or, except as otherwise provided in this chapter, that will tend to make the bonds

more marketable, even though such covenants or actions are not specifically enumerated in this chapter.

Section 69. Section **17B-4-1203** is enacted to read:

17B-4-1203. Signature of officer who leaves office.

If an agency officer whose signature appears on a bond issued under this part leaves office before delivery of the bond, the signature shall continue to be valid as if the official had remained in office until delivery of the bond.

Section 70. Section **17B-4-1204** is enacted to read:

17B-4-1204. Contesting the legality of resolution authorizing bonds -- Time limit -- Presumption.

(1) Any person may contest the legality of the resolution authorizing issuance of the bonds or any provisions for the security and payment of the bonds for a period of 30 days after:

(a) publication of the resolution authorizing the bonds; or

(b) publication of a notice of bonds containing substantially the items required under Subsection 11-14-21(3).

(2) After the 30-day period under Subsection (1), no lawsuit or other proceeding may be brought contesting the regularity, formality, or legality of the bonds for any reason.

(3) In a lawsuit or other proceeding involving the question of whether a bond issued under this part is valid or enforceable or involving the security for a bond, if a bond recites that the agency issued the bond in connection with a redevelopment, economic development, or education housing development:

(a) the bond shall be conclusively presumed to have been issued for that purpose; and

(b) the project area plan and project area shall be conclusively presumed to have been properly formed, adopted, planned, located, and carried out in accordance with this chapter.

Section 71. Section **17B-4-1205** is enacted to read:

17B-4-1205. Authority to purchase agency bonds.

(1) Any person, firm, corporation, association, political subdivision of the state, or other entity or public or private officer may purchase bonds issued by an agency under this part with funds

owned or controlled by the purchaser.

(2) Nothing in this section may be construed to relieve a purchaser of agency bonds of any duty to exercise reasonable care in selecting securities.

Section 72. Section **17B-4-1206** is enacted to read:

17B-4-1206. Those executing bonds not personally liable -- Limitation of obligations under bonds -- Negotiability.

(1) A member of an agency board or other person executing an agency bond is not liable personally on the bond.

(2) (a) A bond issued by an agency is not a general obligation or liability of the community, the state, or any of its political subdivisions and does not constitute a charge against their general credit or taxing powers.

(b) A bond issued by an agency is not payable out of any funds or properties other than those of the agency.

(c) The community, the state, and its political subdivisions may not be liable on a bond issued by an agency.

(d) A bond issued by an agency does not constitute indebtedness within the meaning of any constitutional or statutory debt limitation.

(3) A bond issued by an agency under this part is fully negotiable.

Section 73. Section **17B-4-1207** is enacted to read:

17B-4-1207. Obligee rights -- Board may confer other rights.

(1) In addition to all other rights that are conferred on an obligee of a bond issued by an agency under this part and subject to contractual restrictions binding on the obligee, an obligee may:

(a) by mandamus, suit, action, or other proceeding, compel an agency and its board, officers, agents, or employees to perform every term, provision, and covenant contained in any contract of the agency with or for the benefit of the obligee, and require the agency to carry out the covenants and agreements of the agency and to fulfill all duties imposed on the agency by this part; and

(b) by suit, action, or proceeding in equity, enjoin any acts or things that may be unlawful or violate the rights of the obligee.

(2) (a) In a board resolution authorizing the issuance of bonds or in a trust indenture, mortgage, lease, or other contract, an agency board may confer upon an obligee holding or representing a specified amount in bonds, the rights described in Subsection (2)(b), to accrue upon the happening of an event or default prescribed in the resolution, indenture, mortgage, lease, or other contract, and to be exercised by suit, action, or proceeding in any court of competent jurisdiction.

(b) (i) The rights that the board may confer under Subsection (2)(a) are the rights to:

(A) cause possession of all or part of a redevelopment, economic development, or education housing development project to be surrendered to an obligee;

(B) obtain the appointment of a receiver of all or part of an agency's redevelopment, economic development, or education housing development project and of the rents and profits from it; and

(C) require the agency and its board and employees to account as if the agency and the board and employees were the trustees of an express trust.

(ii) If a receiver is appointed through the exercise of a right granted under Subsection (2)(b)(i)(B), the receiver:

(A) may enter and take possession of the redevelopment, economic development, or education housing development project or any part of it, operate and maintain it, and collect and receive all fees, rents, revenues, or other charges arising from it after the receiver's appointment; and

(B) shall keep money collected as receiver for the agency in separate accounts and apply it pursuant to the agency obligations as the court directs.

Section 74. Section **17B-4-1208** is enacted to read:

17B-4-1208. Bonds exempt from taxes -- Agency may purchase its own bonds.

(1) A bond issued by an agency under this part is issued for an essential public and governmental purpose and is, together with interest on the bond and income from it, exempt from all state taxes except the corporate franchise tax.

(2) An agency may purchase its own bonds at a price that its board determines.

(3) Nothing in this section may be construed to limit the right of an obligee to pursue a remedy for the enforcement of a pledge or lien given under this part by an agency on its rents, fees,

grants, properties, or revenues.

Section 75. Section **17B-4-1301** is enacted to read:

Part 13. Agency budget and reports

17B-4-1301. Annual agency budget -- Fiscal year -- Public hearing required -- Auditor forms -- Requirement to file form.

(1) Each agency shall prepare and its board adopt an annual budget of revenues and expenditures for the agency for each fiscal year.

(2) Each annual agency budget shall be adopted:

(a) for an agency created by a city or town, before June 22; or

(b) for an agency created by a county, before December 15.

(3) The agency's fiscal year shall be the same as the fiscal year of the community that created the agency.

(4) (a) Before adopting an annual budget, each agency board shall hold a public hearing on the annual budget.

(b) Each agency shall provide notice of the public hearing on the annual budget by:

(i) publishing at least one notice in a newspaper of general circulation within the agency boundaries, one week before the public hearing; or

(ii) if there is no newspaper of general circulation within the agency boundaries, posting a notice of the public hearing in at least three public places within the agency boundaries.

(c) Each agency shall make the annual budget available for public inspection at least three days before the date of the public hearing.

(5) The state auditor shall prescribe the budget forms and the categories to be contained in each agency budget, including:

(a) revenues and expenditures for the budget year;

(b) legal fees; and

(c) administrative costs, including rent, supplies, and other materials, and salaries of agency personnel.

(6) Within 30 days after adopting an annual budget, each agency board shall file a copy of

the annual budget with the auditor of the county in which the agency is located, the State Tax Commission, the state auditor, the State Board of Education, and each taxing entity that levies a tax on property from which the agency collects tax increment.

Section 76. Section **17B-4-1302** is enacted to read:

17B-4-1302. Amending the agency annual budget.

(1) An agency board may by resolution amend an annual agency budget.

(2) An amendment of the annual agency budget that would increase the total expenditures may be made only after public hearing by notice published as required for initial adoption of the annual budget.

(3) An agency may not make expenditures in excess of the total expenditures established in the annual budget as it is adopted or amended.

Section 77. Section **17B-4-1303** is enacted to read:

17B-4-1303. Agency report.

(1) On or before November 1 of each year, each agency shall prepare and file a report with the county auditor, the State Tax Commission, the State Board of Education, and each taxing entity that levies a tax on property from which the agency collects tax increment.

(2) Each report under Subsection (1) shall contain:

(a) an estimate of the tax increment to be paid to the agency for the calendar year ending December 31; and

(b) an estimate of the tax increment to be paid to the agency for the calendar year beginning the next January 1.

Section 78. Section **17B-4-1304** is enacted to read:

17B-4-1304. Audit requirements.

Each agency shall comply with the audit requirements of Title 51, Chapter 2, Audits of Political Subdivisions, Interlocal Organizations and Other Local Entities.

Section 79. Section **17B-4-1305** is enacted to read:

17B-4-1305. Audit report.

(1) Each agency required to be audited under Section 17B-4-1304 shall, within 180 days

after the end of the agency's fiscal year, file a copy of the audit report with the county auditor, the State Tax Commission, the State Board of Education, and each taxing entity that levies a tax on property from which the agency collects tax increment.

(2) Each audit report under Subsection (1) shall include:

(a) the tax increment collected by the agency for each project area;

(b) the amount of tax increment paid to each taxing entity under Section 17B-4-1008;

(c) the outstanding principal amount of bonds issued or other loans incurred to finance the costs associated with the agency's project areas;

(d) the actual amount expended for:

(i) acquisition of property;

(ii) site improvements or site preparation costs;

(iii) installation of public utilities or other public improvements; and

(iv) administrative costs of the agency.

Section 80. Section **17B-4-1306** is enacted to read:

17B-4-1306. County auditor report on project areas.

(1) (a) On or before March 31 of each year, the auditor of each county in which an agency is located shall prepare a report on the project areas within each agency.

(b) The county auditor shall send a copy of each report under Subsection (1)(a) to the agency that is the subject of the report, the State Tax Commission, the State Board of Education, and each taxing entity that levies a tax on property from which the agency collects tax increment.

(2) Each report under Subsection (1)(a) shall report:

(a) the total assessed property value within each project area for the previous tax year;

(b) the base taxable value of property within each project area for the previous tax year;

(c) the tax increment available to be paid to the agency for the previous tax year;

(d) the tax increment requested by the agency for the previous tax year; and

(e) the tax increment paid to the agency for the previous tax year.

(3) Within 30 days after a request by an agency, the State Tax Commission, the State Board of Education, or any taxing entity that levies a tax on property from which the agency receives tax

increment, the county auditor or the county assessor shall provide access to:

(a) the county auditor's method and calculations used to make adjustments under Section 17B-4-1006;

(b) the unequalized assessed valuation of an existing or proposed project area, or any parcel or parcels within an existing or proposed project area, if the equalized assessed valuation has not yet been determined for that year; and

(c) the most recent equalized assessed valuation of an existing or proposed project area or any parcel or parcels within an existing or proposed project area; and

(d) the tax rate of each taxing entity adopted as of November 1 for the previous tax year.

Section 81. Section **17B-4-1401** is enacted to read:

Part 14. Dissolution

17B-4-1401. Dissolution by ordinance -- Restrictions -- Filing copy of ordinance -- Agency records -- Dissolution expenses.

(1) Subject to Subsection (1)(b), the legislative body of the community that created an agency may, by ordinance, deactivate and dissolve the agency.

(b) An ordinance dissolving an agency may not be adopted unless the agency has no outstanding bonded indebtedness, other unpaid loans, indebtedness, or advances, and no legally binding contractual obligations with persons or entities other than the community.

(2) The legislative body of each community that adopts an ordinance under Subsection (1) shall:

(a) file a certified copy of the ordinance with the State Tax Commission, county assessor, county auditor, the State Board of Education, and each taxing entity; and

(b) cause a notice of dissolution to be published in a newspaper of general circulation in the county in which the dissolved agency is located.

(3) The books, documents, records, papers, and seal of each dissolved agency shall be deposited for safekeeping and reference with the recorder of the community that dissolved the agency.

(4) The agency shall pay all expenses of the deactivation and dissolution.

Section 82. Section **51-2-8** is amended to read:

51-2-8. Entities exempt from audit requirements -- Report required.

(1) (a) [~~Any~~] Except as provided in Subsection (1)(b), a political subdivision, interlocal organization, or other local entity [~~in which the budget for revenues or expenditures of all funds combined for any fiscal year does not exceed $150,000, or an appropriate amount established by the Utah state auditor which represents the above noted amount adjusted by economic factors such as inflation but not limited to such factors,~~] may[~~, with the approval of the state auditor,~~] be exempt from the provisions of Section 51-2-1[~~. In such event, its governing body must~~] if:

(i) its budget for revenues or expenditures of all funds for a fiscal year does not exceed $150,000, or an amount established by the state auditor that is $150,000 but adjusted for economic factors including inflation; and

(ii) the state auditor approves of the exemption.

(b) A redevelopment agency under Title 17B, Chapter 4, Redevelopment Agencies Act, may not be exempted from the requirements of Section 51-2-1.

(2) Each exempt entity under Subsection (1) shall:

(a) cause a report on the fiscal affairs of the [~~local~~] entity to be prepared in accordance with regulations and reporting forms prepared and issued by the state auditor[~~,~~]; and

(b) file that report with the state auditor within six months after the close of each fiscal year of that entity.

Section 83. Section **59-2-906.1** is amended to read:

59-2-906.1. Property Tax Valuation Agency Fund -- Creation -- Statewide levy -- Additional county levy permitted.

(1) (a) There is created the Property Tax Valuation Agency Fund, to be funded by a multicounty assessing and collecting levy not to exceed .0003 as provided in Subsection (2).

(b) The multicounty assessing and collecting levy under Subsection (1)(a) shall be imposed annually by each county in the state.

(c) The purpose of the multicounty assessing and collecting levy created under Subsection (1)(a) and the disbursement formulas established in Section 59-2-906.2 is to promote the accurate

valuation of property, the establishment and maintenance of uniform assessment levels within and among counties, and the efficient administration of the property tax system, including the costs of assessment, collection, and distribution of property taxes.

(d) Income derived from the investment of money in the fund created in this Subsection (1) shall be deposited in and become part of the fund.

(2) (a) Except as authorized in Subsection (2)(b), beginning in fiscal year 1996-97 to fund the Property Tax Valuation Agency Fund the Legislature shall authorize the amount of the multicounty assessing and collecting levy, except that the multicounty assessing and collecting levy may not exceed the certified revenue levy as defined in Section 53A-17a-103.

(b) If the Legislature authorizes a multicounty assessing and collecting levy that exceeds the certified revenue levy, it is subject to the notice requirements of Section 59-2-926.

(c) For the calendar year beginning on January 1, 1998, and ending December 31, 1998, the certified revenue levy shall be increased by the amount necessary to offset the decrease in revenues from uniform fees on tangible personal property under Section 59-2-405 as a result of the decrease in uniform fees on tangible personal property under Section 59-2-405 enacted by the Legislature during the 1997 Annual General Session.

(d) For the calendar year beginning on January 1, 1999, and ending on December 31, 1999, the certified revenue levy shall be adjusted by the amount necessary to offset the adjustment in revenues from uniform fees on tangible personal property under Section 59-2-405.1 as a result of the adjustment in uniform fees on tangible personal property under Section 59-2-405.1 enacted by the Legislature during the 1998 Annual General Session.

(3) (a) The multicounty assessing and collecting levy authorized by the Legislature under Subsection (2) shall be separately stated on the tax notice as a multicounty assessing and collecting levy.

(b) The multicounty assessing and collecting levy authorized by the Legislature under Subsection (2) is:

(i) exempt from the redevelopment provisions of Sections [~~17A-2-1247 and 17A-2-1247.5~~] 17B-4-1003 and 17B-4-1004;

(ii) in addition to and exempt from the maximum levies allowable under Section 59-2-908; and

(iii) exempt from the notice requirements of Sections 59-2-918 and 59-2-919.

(c) Each county shall transmit quarterly to the state treasurer the portion of the .0003 multicounty assessing and collecting levy which is above the amount to which that county is entitled to under Section 59-2-906.2.

(i) The revenue shall be transmitted no later than the tenth day of the month following the end of the quarter in which the revenue is collected.

(ii) If revenue is transmitted after the tenth day of the month following the end of the quarter in which the revenue is collected, the county shall pay an interest penalty at the rate of 10% each year until the revenue is transmitted.

(d) The state treasurer shall deposit the revenue from the multicounty assessing and collecting levy, any interest accrued from that levy, and any penalties received under Subsection (3)(c) in the Property Tax Valuation Agency Fund.

(4) Each county may levy an additional property tax up to .0002 per dollar of taxable value of taxable property as reported by each county. This levy shall be stated on the tax notice as a county assessing and collecting levy.

(a) The purpose of the levy established in this Subsection (4) is to promote the accurate valuation of property, the establishment and maintenance of uniform assessment levels within and among counties, and the efficient administration of the property tax system, including the costs of assessment, collection, and distribution of property taxes.

(b) Any levy established in Subsection (4)(a) is:

(i) exempt from the redevelopment provisions of Sections [~~17A-2-1247 and 17A-2-1247.5~~] 17B-4-1003 and 17B-4-1004;

(ii) in addition to and exempt from the maximum levies allowable under Section 59-2-908; and

(iii) is subject to the notice requirements of Sections 59-2-918 and 59-2-919.

Section 84. Section **59-2-924** is amended to read:

59-2-924. Report of valuation of property to county auditor and commission -- Transmittal by auditor to governing bodies -- Certified tax rate -- Adoption of tentative budget.

(1) (a) Before June 1 of each year, the county assessor of each county shall deliver to the county auditor and the commission the following statements:

(i) a statement containing the aggregate valuation of all taxable property in each taxing entity; and

(ii) a statement containing the taxable value of any additional personal property estimated by the county assessor to be subject to taxation in the current year.

(b) The county auditor shall, on or before June 8, transmit to the governing body of each taxing entity:

(i) the statements described in Subsections (1)(a)(i) and (ii);

(ii) an estimate of the revenue from personal property;

(iii) the certified tax rate; and

(iv) all forms necessary to submit a tax levy request.

(2) (a) (i) The "certified tax rate" means a tax rate that will provide the same ad valorem property tax revenues for a taxing entity as were collected by that taxing entity for the prior year.

(ii) For purposes of this Subsection (2), "ad valorem property tax revenues" do not include:

(A) collections from redemptions;

(B) interest; and

(C) penalties.

(iii) Except as provided in Subsection (2)(a)(iv), the certified tax rate shall be calculated by dividing the ad valorem property tax revenues collected for the prior year by the taxing entity by the taxable value established in accordance with Section 59-2-913.

(iv) The certified tax rates for the taxing entities described in this Subsection (2)(a)(iv) shall be calculated as follows:

(A) except as provided in Subsection (2)(a)(iv)(B), for new taxing entities the certified tax rate is zero;

(B) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

(I) in a county of the first, second, or third class, the levy imposed for municipal-type services under Sections 17-34-1 and 17-36-9; and

(II) in a county of the fourth, fifth, or sixth class, the levy imposed for general county purposes and such other levies imposed solely for the municipal-type services identified in Section 17-34-1 and Subsection 17-36-3(22);

(C) for debt service voted on by the public, the certified tax rate shall be the actual levy imposed by that section, except that the certified tax rates for the following levies shall be calculated in accordance with Section 59-2-913 and this section:

(I) school leeways provided for under Sections 11-2-7, 53A-16-110, 53A-17a-125, 53A-17a-127, 53A-17a-134, 53A-17a-143, 53A-17a-145, and 53A-21-103; and

(II) levies to pay for the costs of state legislative mandates or judicial or administrative orders under Section 59-2-906.3.

(v) (A) A judgment levy imposed under Section 59-2-1328 or Section 59-2-1330 shall be established at that rate which is sufficient to generate only the revenue required to satisfy one or more eligible judgments, as defined in Section 59-2-102.

(B) The ad valorem property tax revenue generated by the judgment levy shall not be considered in establishing the taxing entity's aggregate certified tax rate.

(b) (i) For the purpose of calculating the certified tax rate, the county auditor shall use the taxable value of property on the assessment roll.

(ii) For purposes of Subsection (2)(b)(i), the taxable value of property on the assessment roll does not include new growth as defined in Subsection (2)(b)(iii).

(iii) "New growth" means:

(A) the difference between the increase in taxable value of the taxing entity from the previous calendar year to the current year; minus

(B) the amount of an increase in taxable value described in Subsection (2)(b)(iv).

(iv) Subsection (2)(b)(iii)(B) applies to the following increases in taxable value:

(A) the amount of increase to locally assessed real property taxable values resulting from

factoring, reappraisal, or any other adjustments; or

(B) the amount of an increase in the taxable value of property assessed by the commission under Section 59-2-201 resulting from a change in the method of apportioning the taxable value prescribed by:

(I) the Legislature;

(II) a court;

(III) the commission in an administrative rule; or

(IV) the commission in an administrative order.

(c) Beginning January 1, 1997, if a taxing entity receives increased revenues from uniform fees on tangible personal property under Section 59-2-404, 59-2-405, or 59-2-405.1 as a result of any county imposing a sales and use tax under Chapter 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax rate to offset the increased revenues.

(d) (i) Beginning July 1, 1997, if a county has imposed a sales and use tax under Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:

(A) decreased on a one-time basis by the amount of the estimated sales tax revenue to be distributed to the county under Subsection 59-12-1102(3); and

(B) increased by the amount necessary to offset the county’s reduction in revenue from uniform fees on tangible personal property under Section 59-2-404, 59-2-405, or 59-2-405.1 as a result of the decrease in the certified tax rate under Subsection (2)(d)(i)(A).

(ii) The commission shall determine estimates of sales tax distributions for purposes of Subsection (2)(d)(i).

(e) Beginning January 1, 1998, if a municipality has imposed an additional resort communities sales tax under Section 59-12-402, the municipality’s certified tax rate shall be decreased on a one-time basis by the amount necessary to offset the first 12 months of estimated revenue from the additional resort communities sales tax imposed under Section 59-12-402.

(f) For the calendar year beginning on January 1, 1999, and ending on December 31, 1999, a taxing entity's certified tax rate shall be adjusted by the amount necessary to offset the adjustment in revenues from uniform fees on tangible personal property under Section 59-2-405.1 as a result of

the adjustment in uniform fees on tangible personal property under Section 59-2-405.1 enacted by the Legislature during the 1998 Annual General Session.

(g) For purposes of Subsections (2)(h) through (j):

(i) "1998 actual collections" means the amount of revenues a taxing entity actually collected for the calendar year beginning on January 1, 1998, under Section 59-2-405 for:

(A) motor vehicles required to be registered with the state that weigh 12,000 pounds or less; and

(B) state-assessed commercial vehicles required to be registered with the state that weigh 12,000 pounds or less.

(ii) "1999 actual collections" means the amount of revenues a taxing entity actually collected for the calendar year beginning on January 1, 1999, under Section 59-2-405.1.

(h) For the calendar year beginning on January 1, 2000, the commission shall make the following adjustments:

(i) the commission shall make the adjustment described in Subsection (2)(i)(i) if, for the calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were greater than the sum of:

(A) the taxing entity's 1999 actual collections; and

(B) any adjustments the commission made under Subsection (2)(f);

(ii) the commission shall make the adjustment described in Subsection (2)(i)(ii) if, for the calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were greater than the taxing entity's 1999 actual collections, but the taxing entity's 1998 actual collections were less than the sum of:

(A) the taxing entity's 1999 actual collections; and

(B) any adjustments the commission made under Subsection (2)(f); and

(iii) the commission shall make the adjustment described in Subsection (2)(i)(iii) if, for the calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were less than the taxing entity's 1999 actual collections.

(i) (i) For purposes of Subsection (2)(h)(i), the commission shall increase a taxing entity's

certified tax rate under this section and a taxing entity's certified revenue levy under Section 59-2-906.1 by the amount necessary to offset the difference between:

(A) the taxing entity's 1998 actual collections; and

(B) the sum of:

(I) the taxing entity's 1999 actual collections; and

(II) any adjustments the commission made under Subsection (2)(f).

(ii) For purposes of Subsection (2)(h)(ii), the commission shall decrease a taxing entity's certified tax rate under this section and a taxing entity's certified revenue levy under Section 59-2-906.1 by the amount necessary to offset the difference between:

(A) the sum of:

(I) the taxing entity's 1999 actual collections; and

(II) any adjustments the commission made under Subsection (2)(f); and

(B) the taxing entity's 1998 actual collections.

(iii) For purposes of Subsection (2)(h)(iii), the commission shall decrease a taxing entity's certified tax rate under this section and a taxing entity's certified revenue levy under Section 59-2-906.1 by the amount of any adjustments the commission made under Subsection (2)(f).

(j) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, for purposes of Subsections (2)(f) through (i), the commission may make rules establishing the method for determining a taxing entity's 1998 actual collections and 1999 actual collections.

(k) (i) (A) For fiscal year 2000, the certified tax rate of each county to which Subsection 17-34-3(4)(a) applies shall be decreased by the amount necessary to reduce revenues in that fiscal year by an amount equal to the difference between the amount the county budgeted in its 2000 fiscal year budget for advanced life support and paramedic services countywide and the amount the county spent during fiscal year 2000 for those services, excluding amounts spent from a municipal services fund for those services.

(B) For fiscal year 2001, the certified tax rate of each county to which Subsection 17-34-3(4)(a) applies shall be decreased by the amount necessary to reduce revenues in that fiscal year by the amount that the county spent during fiscal year 2000 for advanced life support and

paramedic services countywide, excluding amounts spent from a municipal services fund for those services.

(ii) (A) For fiscal year 2001, a city or town located within a county of the first class to which Subsection 17-34-3(4)(a) applies may increase its certified tax rate by the amount necessary to generate within the city or town the same amount of revenues as the county would collect from that city or town if the decrease under Subsection (2)(k)(i) did not occur.

(B) An increase under Subsection (2)(k)(ii)(A) is not subject to the notice and hearing requirements of Sections 59-2-918 and 59-2-919.

(3) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.

(b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county auditor of:

(i) its intent to exceed the certified tax rate; and

(ii) the amount by which it proposes to exceed the certified tax rate.

(c) The county auditor shall notify all property owners of any intent to exceed the certified tax rate in accordance with Subsection 59-2-919(2).

(4) (a) The taxable value for the base year under Subsection [~~17A-2-1247(2)(a) or 17A-2-1202(2), as the case may be,~~] 17B-4-102(4) shall be reduced for any year to the extent necessary to provide a redevelopment agency established under Title [~~17A~~] 17B, Chapter [~~2~~] 4, [~~Part 12, Utah Neighborhood Development~~] Redevelopment Agencies Act, with approximately the same amount of money the agency would have received without a reduction in the county's certified tax rate if:

(i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i);

(ii) the amount of the decrease is more than 20% of the county's certified tax rate of the previous year; and

(iii) the decrease results in a reduction of the amount to be paid to the agency under Section [~~17A-2-1247 or 17A-2-1247.5~~] 17B-4-1003 or 17B-4-1004.

(b) The taxable value of the base year under Subsection [~~17A-2-1247(2)(a) or 17A-2-1202(2), as the case may be,~~] 17B-4-101(4) shall be increased in any year to the extent

necessary to provide a redevelopment agency with approximately the same amount of money as the agency would have received without an increase in the certified tax rate that year if:

(i) in that year the taxable value for the base year under Subsection [~~17A-2-1247(2) or 17A-2-1202(2)~~] 17B-4-101(4) is reduced due to a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i); and

(ii) The certified tax rate of a city, school district, or special district increases independent of the adjustment to the taxable value of the base year.

(c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i), the amount of money allocated and, when collected, paid each year to a redevelopment agency established under Title [~~17A~~] 17B, Chapter [~~2~~] 4, [~~Part 12, Utah Neighborhood Development~~] Redevelopment Agencies Act, for the payment of bonds or other contract indebtedness, but not for administrative costs, may not be less than that amount would have been without a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i).

Section 85. **Repealer.**

This act repeals:

Section **17A-2-1201, Short title.**

Section **17A-2-1202, Definitions.**

Section **17A-2-1203, Creation of redevelopment agencies -- Governing body -- Powers -- Contiguous communities.**

Section **17A-2-1204, Redevelopment survey areas.**

Section **17A-2-1205, Preconditions for designating a project area.**

Section **17A-2-1206, Selection of project areas -- Blight hearing.**

Section **17A-2-1207, Contents of preliminary plan.**

Section **17A-2-1208, Blight study -- Findings of blight.**

Section **17A-2-1209, Use of eminent domain.**

Section **17A-2-1210, Limits on value and size of project areas using tax increment financing without consent of local taxing agencies -- Time limits.**

Section **17A-2-1210.5, Limits on length of time for project areas adopted after July 1,**

1993.

Section **17A-2-1211, Property owner's rights.**

Section **17A-2-1212, Project area and redevelopment restrictions.**

Section **17A-2-1213, Plan preparation -- Hearing -- Notice -- Consultation with community planning commission.**

Section **17A-2-1214, Opportunities to participate in project required -- Preferences -- Rules.**

Section **17A-2-1215, Approval and adoption of plan -- Funding -- Reuse of property.**

Section **17A-2-1216, Agency budget -- Hearing -- Public inspection -- Agency budget forms -- Copies of adopted budget filed -- Expenditures limited by budget.**

Section **17A-2-1217, Annual reports by agency.**

Section **17A-2-1218, Annual reports by county auditor.**

Section **17A-2-1219, Audit of agency accounts.**

Section **17A-2-1220, Report to accompany plan.**

Section **17A-2-1221, Hearing.**

Section **17A-2-1222, Notices of hearing required.**

Section **17A-2-1223, Objections to plan -- Filing.**

Section **17A-2-1224, Objections to plan -- Hearing.**

Section **17A-2-1225, Adoption, rejection, or modification of plan -- Plan submitted to voters -- When rejection required -- Petition for alternative plan.**

Section **17A-2-1226, Adoption of plan by ordinance -- Limitation on contest of legality.**

Section **17A-2-1227, Adoption by ordinance.**

Section **17A-2-1228, Acquisition and disposition of property -- Control of property sold or leased for private use -- Notice.**

Section **17A-2-1229, Amendment or modification of plan.**

Section **17A-2-1230, Powers of public body aiding and cooperating in redevelopment projects -- Notice requirement.**

Section **17A-2-1231, Bonds -- Payments.**

Section **17A-2-1232, Bonds as indebtedness -- Exemption from taxes.**

Section **17A-2-1233, Bonds -- Type -- Form -- Interest -- Redemption.**

Section **17A-2-1234, Sale of bonds.**

Section **17A-2-1235, Validity of official signatures on bonds -- Negotiability.**

Section **17A-2-1236, Actions on validity or enforceability of bonds -- Time for bringing action.**

Section **17A-2-1237, Investment in bonds.**

Section **17A-2-1238, Agency disposition of property within project area -- Eminent domain -- Just compensation, costs, damages.**

Section **17A-2-1239, Acquisition of property from members or officers prohibited.**

Section **17A-2-1240, Acquisition of real property without owner's consent prohibited -- Exceptions.**

Section **17A-2-1241, Acquisition of public property.**

Section **17A-2-1242, Rights and duties not affected.**

Section **17A-2-1243, Bond issues -- Agency members and persons executing bonds not personally liable -- Bonds and obligations not general obligation or debt -- Negotiability.**

Section **17A-2-1244, Agency powers in issuance of bonds.**

Section **17A-2-1245, Rights of obligee.**

Section **17A-2-1246, Bonds exempt from taxes except corporate franchise tax -- Purchase of bonds by agency -- Property of agency exempt from execution and taxes.**

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

Section **17A-2-1247.5, Tax increment financing -- Project area budget approval -- Payment of additional tax increment.**

Section **17A-2-1248, Time for payment of taxes to agency.**

Section **17A-2-1249, Determination of taxable value and names and addresses of assessees.**

Section **17A-2-1250, Distribution of property taxes.**

Section **17A-2-1250.5, Adjustment of base year taxable value required for minimum basic levy for school district decreases -- Minimum payment to agency.**

Section **17A-2-1251, Adjustment of base year taxable value of area required for county rate adjustment.**

Section **17A-2-1252, Adjustment of base year taxable value of area required for changes in exemptions -- Minimum payment to agency.**

Section **17A-2-1253, Adjustment of base year taxable value of area required for changes in percentage of value assessed -- Minimum payment to agency.**

Section **17A-2-1254, Pledge of increment for payment of loans, advances or indebtedness.**

Section **17A-2-1255, Taxation of property leased by agency.**

Section **17A-2-1256, Transmittal of description of land within project area and other documents to taxing agencies -- Notice to taxing agencies.**

Section **17A-2-1257, Recording description of area and date of plan approval.**

Section **17A-2-1258, Payments by agency in lieu of taxes.**

Section **17A-2-1259, Transmittal of preliminary plan -- Consultation with taxing agencies.**

Section **17A-2-1260, Payment authorized for land or cost of improvements within or without project area if beneficial to the project area -- Reimbursement of costs --Limitation on use of tax increment.**

Section **17A-2-1261, Deactivation and dissolution of an agency -- Order of legislative body on own motion or agency recommendation -- Payment of obligations.**

Section **17A-2-1262, Notice of dissolution -- Publication -- Disposition of records.**

Section **17A-2-1263, Housing funds.**

Section **17A-2-1264, Affordable housing funds under redevelopment plans adopted on or after July 1, 1998.**

Section 86. **Effective date.**

This act takes effect on June 1, 2001.