

REDEVELOPMENT AGENCY AMENDMENTS

2005 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Curtis S. Bramble

House Sponsor: John Dougall

LONG TITLE

General Description:

This bill modifies provisions of the Redevelopment Agencies Act.

Highlighted Provisions:

This bill:

- ▶ prohibits a redevelopment agency from adopting a project area plan for certain redevelopment projects from July 1, 2005 through June 30, 2006 unless a blight study has been commissioned and completed by certain dates;
- ▶ eliminates a requirement for approval from affected taxing entities and the taxing entity committee for project area plan amendments that provide for tax increment to be paid for a longer period of time than allowed under the adopted project area plan;
- ▶ requires an agency's finding of blight to be approved by the taxing entity committee;
- ▶ shifts the authority to appoint one of the two taxing entity committee representatives in counties of the first class from the county executive to the county legislative body;
- ▶ prohibits a redevelopment agency from using eminent domain to acquire property, except when acquiring property from an agency board member or officer;
- ▶ modifies a date by which construction of a recreational or cultural facility must begin in order for an agency to be paid additional tax increment for the facility;
- ▶ eliminates provisions authorizing additional tax increment to be paid to an agency to pay for a convention center or sports complex, cable television and public telecommunications service, an I-15 interchange, and the relocation of an agriculture related business;

- ▶ prohibits an amendment to a project area plan that increases the size of the project area;
- ▶ prohibits an amendment to a project area budget that lengthens the time that tax increment is to be paid to an agency;
- ▶ prohibits tax increment under a post-June 30, 1993 project area plan from being paid to an agency for more than 25 years, eliminating taxing entity committee consent as a basis for allowing an agency to be paid tax increment for more than 25 years;
- ▶ modifies a provision regarding limitations on the applicability of provisions in the Redevelopment Agencies Act;
- ▶ eliminates a provision that defines incidental or subordinate development of retail sales to include the development of retail sales of goods from a convention center or sports complex facilities;
- ▶ prohibits agencies from receiving or using tax increment during a certain period if the tax increment is attributable to property devoted to the development of retail sales of goods in an economic development or education housing development project area;
- ▶ eliminates a provision that allows a city of the first or second class to use tax increment from one project area in another project area to pay for a convention center or sports complex; and
- ▶ prohibits an agency from using tax increment to pay for a stadium or arena.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill provides an immediate effective date.

This bill provides revisor instructions.

Utah Code Sections Affected:

AMENDS:

17B-4-102, as last amended by Chapter 256, Laws of Utah 2003

17B-4-105, as enacted by Chapter 133, Laws of Utah 2001

- 17B-4-202, as enacted by Chapter 133, Laws of Utah 2001
- 17B-4-206, as enacted by Chapter 133, Laws of Utah 2001
- 17B-4-402, as last amended by Chapter 205, Laws of Utah 2002
- 17B-4-403, as last amended by Chapter 256, Laws of Utah 2003
- 17B-4-407, as last amended by Chapter 205, Laws of Utah 2002
- 17B-4-411, as last amended by Chapter 205, Laws of Utah 2002
- 17B-4-507, as enacted by Chapter 133, Laws of Utah 2001
- 17B-4-601, as enacted by Chapter 133, Laws of Utah 2001
- 17B-4-602, as last amended by Chapter 256, Laws of Utah 2003
- 17B-4-603, as last amended by Chapter 205, Laws of Utah 2002
- 17B-4-604, as last amended by Chapter 256, Laws of Utah 2003
- 17B-4-605, as enacted by Chapter 133, Laws of Utah 2001
- 17B-4-1002, as last amended by Chapter 205, Laws of Utah 2002
- 17B-4-1003, as last amended by Chapter 191, Laws of Utah 2003
- 17B-4-1004, as last amended by Chapter 205, Laws of Utah 2002
- 17B-4-1005, as enacted by Chapter 133, Laws of Utah 2001
- 17B-4-1007, as last amended by Chapter 205, Laws of Utah 2002
- 17B-4-1101, as enacted by Chapter 133, Laws of Utah 2001

REPEALS:

- 17B-4-1102, as last amended by Chapter 223, Laws of Utah 2004
- 17B-4-1103, as enacted by Chapter 133, Laws of Utah 2001

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

Section 1. Section **17B-4-102** is amended to read:

17B-4-102. Definitions.

(1) "Agency" means a separate body corporate and politic, created under Section 17B-4-201 or previous law, 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)~~(1)(c) 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) "Loan fund board" means the Olene Walker Housing Loan Fund Board, established under Title 9, Chapter 4, Part 7, Olene Walker Housing Loan Fund.

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

(15) "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.

(16) "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.

(17) "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.

(18) "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.

(19) "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.

(20) "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.

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

(22) "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.

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

(24) "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.

(25) "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.

(26) "Superfund site":

(a) means an area included in the National Priorities List under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sec. 9605; and

(b) includes an area formerly included in the National Priorities List, as described in Subsection (26)(a), but removed from the list following remediation that leaves on site the waste that caused the area to be included in the National Priorities List.

(27) "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.

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

(29) (a) "Tax increment" means, except as provided in Subsection (29)(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.

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

(31) "Taxing entity committee" means a committee representing the interests of taxing entities, created as provided in Section 17B-4-1002.

Section 2. Section **17B-4-105** is amended 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~~] an applicable amendment to this chapter;

(ii) is permitted or required under the project area plan adopted before [~~June 1, 2001~~] the amendment; 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~~] an amendment to this chapter becomes effective 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~~] the applicable amendment.

Section 3. Section **17B-4-202** is amended 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 4. Section **17B-4-206** is amended 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~~] 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 5. Section **17B-4-402** is amended 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) subject to Subsection (5), 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)~~](1)(d)(ii); 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 a plan hearing to consider the addition and gives notice of the 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 contiguous to the property already included in the proposed project area under the draft project area plan;
- (ii) the record owner of the property consents to adding the real property to the proposed project area; and
- (iii) for a redevelopment project area, the property is located within the survey area.

(5) From July 1, 2005 through June 30, 2006, an agency may not adopt a project area plan for a redevelopment project requiring a finding of blight unless:

- (a) before February 15, 2005, the agency has authorized a blight study; and
- (b) the blight study authorized before February 15, 2005, is completed before July 1, 2005.

Section 6. Section **17B-4-403** is amended 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):~~ ~~(†)]~~(1)(d)(ii), describe how the redevelopment will reduce or eliminate blight in the project area; ~~[and]~~

~~[(ii) if the agency is to have the power of eminent domain under the project area plan:]~~

~~[(A) 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;]~~

~~[(B) 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); and]~~

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

(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 for tax increment to be paid to the agency from the project area 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:

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

(B) the project area is a superfund site;

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

(s) 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;

(t) 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

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

(2) Each analysis under Subsection (1)(s)(ii) 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 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 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 economic development or education housing development, including:

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

(ii) 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 7. Section **17B-4-407** is amended 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; and
- (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) state that the board previously made a 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 (H) 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:

~~[(F)]~~ (A) the agency has a feasible method or plan for the relocation of families and

persons displaced from the project area;

~~[(H)]~~ (B) comparable dwellings exist or will be provided to the families and persons displaced by the project area plan; and

~~[(H)]~~ (C) 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 8. Section **17B-4-411** is amended to read:

17B-4-411. Amending a 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:]~~

~~[(a) subject to Subsection (2)(c), the requirements under this part that apply to adopting a project area plan apply equally to the proposed amendment as if it were a project area plan;]~~

~~[(b) for a pre-July 1, 1993 project area plan, the base year taxable value for the new area added to the project area shall be determined under Subsection 17B-4-102(4)(a) using the effective date of the amended project area plan;]~~

~~[(c) for a post-June 30, 1993 project area plan, the base year taxable value for the new area added to the project area shall be determined under Subsection 17B-4-102(4)(b) using the date of the taxing entity committee's consent referred to in Subsection (2)(f);]~~

~~[(d) if the amended plan is to authorize the use of eminent domain within a new area to be added to the project area:]~~

~~[(i) before adopting the amended project area plan the agency must make a finding regarding the existence of blight in the new area proposed to be added, following the procedures set forth in Part 6 of this chapter; and]~~

~~[(ii) for the new area added, the time limit of Subsection 17B-4-403(1)(1) may be measured from the effective date of the amendment to the project area plan;]~~

~~[(e) if the agency made a finding of the existence of blight regarding the project area as originally adopted:]~~

~~[(i) it is not necessary to repeat the requirements of Part 6 of this chapter for the original area; and]~~

~~[(ii) regarding the area described in the project area plan as originally adopted, the time limit established by Subsection 17B-4-403(1)(i) for the agency to commence acquisition of property through the use of eminent domain shall not be affected or changed by the amendment; and]~~

~~[(f) for a post-June 30, 1993 project area plan, the agency shall obtain the consent of the taxing entity committee before the agency may collect tax increment from the area added to the project area.]~~

(2) Except as provided in Subsection (4)(a), a project area plan may not be amended after the effective date of this Subsection (2) to enlarge or add to a project area.

~~(3) [If a proposed amendment does not propose to enlarge a project area, an] 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 Subsections (2)(a) and (3) an~~] An adopted project area plan may be amended without complying with the notice and public hearing requirements of Subsections [~~(2)(a) and~~] (3)(a) and (b) and without obtaining taxing entity committee approval under Subsection (3)(c)[~~(†)~~] 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 9. Section **17B-4-507** is amended to read:

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

(1) [~~An~~] Subject to Subsection (5), 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.

(5) A project area budget may not be amended after the effective date of this Subsection (5) if the amendment provides for the agency to receive tax increment for a longer period of time than allowed under the project area budget without the amendment.

Section 10. Section **17B-4-601** is amended to read:

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

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

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

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

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

~~[(4)]~~ (d) 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)]~~ (i) consider:

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

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

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

(2) The agency's finding of blight under Subsection (1) has no effect until the taxing entity committee adopts a resolution approving the finding.

Section 11. Section **17B-4-602** is amended to read:

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

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

(a) provide data so the board and taxing entity committee may determine:

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

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

(iii) whether the survey area contains a superfund site;

(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 12. Section **17B-4-603** is amended to read:

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

(1) In each hearing required under Subsection 17B-4-601[~~(3)~~](1)(c), 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 agency 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 13. Section **17B-4-604** is amended 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~~] Section 17B-4-601[~~(4)(b)~~] unless the board finds that the redevelopment project area:

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

(ii) 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

(iii) 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:

- (A) defective character of physical construction;
 - (B) high density of population or overcrowding;
 - (C) inadequate ventilation, light, or spacing between buildings;
 - (D) mixed character and shifting of uses, resulting in obsolescence, deterioration, or dilapidation;
 - (E) economic deterioration or continued disuse;
 - (F) 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;
 - (G) inadequate sanitation or public facilities which may include streets, open spaces, and utilities;
 - (H) areas that are subject to being submerged by water; and
 - (I) 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; or
- (b) is a superfund site.

(2) (a) For purposes of Subsection (1), if a developer involved in the redevelopment project causes a condition listed in Subsection (1)(a)(iii) 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 14. Section **17B-4-605** is amended 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~~] Section 17B-4-601[~~(4)(b)~~]

and that finding is approved by resolution adopted by the taxing entity committee, 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]~~ taxing entity committee approves the board's 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 15. Section **17B-4-1002** is amended 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) (I) in ~~[counties]~~ a county of the second, third, fourth, fifth, or sixth class, two representatives appointed by resolution of the legislative body of the county in which the agency is located; or

(II) in ~~[counties]~~ a county of the first class, ~~[two representatives]~~ one representative appointed by the county executive and one representative appointed by 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)(a) 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.

(7) Each time a school district representative or a representative of the State Board of Education votes as a member of a taxing entity committee to allow an agency to be paid tax increment or to increase the amount or length of time that an agency may be paid tax increment,

that representative shall, within 45 days after the vote, provide to the representative's respective school board an explanation in writing of the representative's vote and the reasons for the vote.

(8) (a) The assessor of each county in which the agency is located shall provide a written report to the taxing entity committee stating, with respect to property within each project area:

- (i) the base taxable value, as adjusted by any adjustments under Section 17B-4-1006; and
- (ii) the assessed value.

(b) With respect to the information required under Subsection (8)(a), the assessor shall provide:

(i) actual amounts for each year from the adoption of the project area plan to the time of the report; and

(ii) estimated amounts for each year beginning the year after the time of the report and ending the time that the agency expects no longer to be paid tax increment from property within the project area.

(c) The assessor of the county in which the agency is located shall provide a report under this Subsection (8):

- (i) at least annually; and
- (ii) upon request of the taxing entity committee, before a taxing entity committee meeting at which the committee will consider whether to allow the agency to be paid tax increment or to increase the amount [~~or length of time~~] of tax increment that the agency may be paid [~~tax increment~~].

Section 16. Section **17B-4-1003** is amended 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 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:]~~

~~[(F) within and a benefit to a project area;]~~

~~[(H) not within but still a benefit to a project area; or]~~

~~[(H) within a project area in which substantially all of the land is publicly owned and a benefit to the community;]~~

~~[(ii)(A) (i) 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) (ii) construction of the recreational or cultural facility is commenced on or before June 30, 2006] December 31, 2005; and~~

~~[(C) (iii) the additional tax increment is pledged on or before June 30, 2006] July 1, 2005, 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) the additional tax increment is used to pay all or part of the cost of acquiring, constructing, extending, maintaining, or repairing lines, facilities, and equipment for providing cable television service and public telecommunications service, as defined in Section 10-18-102, whether or not the lines, facilities, and equipment are located within a project area and subject to Subsection (3)(d);]~~

~~[(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 11400 South or 12300 South interchange on I-15 in Salt Lake County, whether or not the interchange is located within a project area;]~~

~~[(B) construction on the interchange is commenced on or before June 30, 2006; and]~~

~~[(C) the additional tax increment is pledged on or before June 30, 2006 to pay all or part of the cost of the installation, construction, or reconstruction of the 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.

~~[(d) (i) Notwithstanding Title 10, Chapter 18, Municipal Cable Television and Public Telecommunications Services, an agency whose tax increment is used under Subsection (3)(b)(iii) may not provide cable television service or public telecommunications service, as defined in Section 10-18-102.]~~

~~[(ii) Each agency that uses tax increment under Subsection (3)(b)(iii) shall provide the services it provides using that tax increment in a nonpreferential and nondiscriminatory manner.]~~

(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 17. Section **17B-4-1004** is amended 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%, or any specified dollar amount, 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%, or any specified dollar amount, 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, whether or not the interchange is located within a project area;
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, whether or not the frontage or other road is located within a project area; 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 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; and

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

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

(c) 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~~] An agency may not be paid tax increment from the project area for more than 25 years.

(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 18. Section **17B-4-1005** is amended 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.]~~

(c) From July 1, 2005 through June 30, 2006, an agency may not be paid or use tax increment generated from the value of property within an economic development or education housing development project area that is attributable to the development of retail sales of goods, unless the tax increment was previously pledged to pay for bonds or other contractual obligations of the agency.

(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 19. Section **17B-4-1007** is amended 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 [~~(4)~~] (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)] (3) 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.~~

(4) Notwithstanding any other provision of this chapter, an agency may not use tax increment to pay any of the cost of the land, infrastructure, or construction of a stadium or arena constructed after March 1, 2005, unless the tax increment has been pledged for that purpose before February 15, 2005.

Section 20. Section **17B-4-1101** is amended to read:

17B-4-1101. Use of eminent domain prohibited.

~~[(1) Subject to the provisions of this part,]~~ Except as provided in Section 17B-4-206, an agency may not 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 21. **Repealer.**

This bill repeals:

Section **17B-4-1102, Prerequisites to exercise of eminent domain -- Civil action**

authorized -- Record of good faith negotiations to be retained.

Section 17B-4-1103, Court award for court costs, attorney's fees, relocation expenses, and damage to fixtures or personal property.

Section 22. Effective date.

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

Section 23. Revisor instructions.

It is the intent of the Legislature that, in preparing the Utah Code database for publication, the Office of Legislative Research and General Counsel shall replace language referring to the effective date of this bill or sections or subsections within this bill with the actual effective date.