

1 **COMMUNITY DEVELOPMENT AND RENEWAL**

2 **AGENCY AMENDMENTS**

3 2009 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Curtis S. Bramble**

6 House Sponsor: Brad L. Dee

7

8 **LONG TITLE**

9 **General Description:**

10 This bill modifies provisions relating to community development and renewal
11 agencies.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ modifies the definitions of "base taxable value," "inactive airport site," "inactive
15 industrial site," and "project area budget";
- 16 ▶ authorizes an agency created by a county to undertake urban renewal, economic
17 development, or community development within a town under certain
18 circumstances;
- 19 ▶ modifies a provision relating to a public entity's assistance or cooperation in urban
20 renewal, economic development, or community development;
- 21 ▶ modifies a provision relating to a resolution or interlocal agreement authorizing an
22 agency to be paid tax increment or sales tax revenue;
- 23 ▶ requires the taxing entity committee to adopt an organizing resolution at its first
24 meeting;
- 25 ▶ modifies the amount of tax increment to be paid under an urban renewal project
26 area plan for an inactive airport site;
- 27 ▶ requires the applicable project area budget, resolution, or interlocal agreement to
28 specify limits on the amount of tax increment and sales tax revenue that an agency
29 will be paid and prohibits an agency from being paid more tax increment or sales

- 30 tax than specified, unless otherwise agreed;
- 31 ▶ prohibits an agency from using tax increment to pay for bonds or other obligations
- 32 for financing a telecommunications facility;
- 33 ▶ modifies a provision relating to funds for income targeted housing;
- 34 ▶ imposes obligations on an agency that uses tax increment to pay for
- 35 communication infrastructure or a communication facility;
- 36 ▶ extends from 30 to 90 days the period of time within which an agency is required to
- 37 file a copy of its annual budget after adopting the budget;
- 38 ▶ narrows application of a provision requiring an agency to allocate tax increment
- 39 funds for housing to economic development project area budgets adopted before
- 40 the effective date of this bill; and
- 41 ▶ makes technical changes.

42 Monies Appropriated in this Bill:

43 None

44 Other Special Clauses:

45 This bill provides an immediate effective date.

46 This bill provides revisor instructions.

47 Utah Code Sections Affected:

48 AMENDS:

- 49 **17C-1-102**, as last amended by Laws of Utah 2008, Chapters 125 and 330
- 50 **17C-1-204**, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 51 **17C-1-207**, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 52 **17C-1-401**, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 53 **17C-1-402**, as last amended by Laws of Utah 2007, Chapter 364
- 54 **17C-1-405**, as last amended by Laws of Utah 2007, Chapter 364
- 55 **17C-1-407**, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 56 **17C-1-409**, as last amended by Laws of Utah 2007, Chapter 364
- 57 **17C-1-411**, as last amended by Laws of Utah 2007, Chapter 364

- 58 **17C-1-412**, as last amended by Laws of Utah 2007, Chapter 364
- 59 **17C-1-601**, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 60 **17C-2-110**, as last amended by Laws of Utah 2007, Chapter 364
- 61 **17C-2-201**, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 62 **17C-3-109**, as enacted by Laws of Utah 2006, Chapter 359
- 63 **17C-3-201**, as enacted by Laws of Utah 2006, Chapter 359
- 64 **17C-3-202**, as enacted by Laws of Utah 2006, Chapter 359
- 65 **17C-3-203**, as enacted by Laws of Utah 2006, Chapter 359
- 66 **17C-4-201**, as enacted by Laws of Utah 2006, Chapter 359
- 67 **17C-4-202**, as last amended by Laws of Utah 2007, Chapter 364
- 68 **17C-4-203**, as enacted by Laws of Utah 2006, Chapter 359

69 ENACTS:

70 **17C-1-415**, Utah Code Annotated 1953



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

73 Section 1. Section **17C-1-102** is amended to read:

74 **17C-1-102. Definitions.**

75 As used in this title:

76 (1) "Adjusted tax increment" means:

- 77 (a) for tax increment under a pre-July 1, 1993 project area plan, tax increment under
- 78 Section 17C-1-403, excluding tax increment under Subsection 17C-1-403(3); and
- 79 (b) for tax increment under a post-June 30, 1993 project area plan, tax increment
- 80 under Section 17C-1-404, excluding tax increment under Section 17C-1-406.

81 (2) "Affordable housing" means housing to be owned or occupied by persons and
82 families of low or moderate income, as determined by resolution of the agency.

83 (3) "Agency" or "community development and renewal agency" means a separate body
84 corporate and politic, created under Section 17C-1-201 or as a redevelopment agency under
85 previous law, that is a political subdivision of the state, that is created to undertake or promote

86 urban renewal, economic development, or community development, or any combination of
87 them, as provided in this title, and whose geographic boundaries are coterminous with:

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

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

90 (4) "Annual income" has the meaning as defined under regulations of the U.S.

91 Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as amended or as
92 superseded by replacement regulations.

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

94 (6) "Base taxable value" means:

95 (a) for an urban renewal or economic development project area, the taxable value of
96 the property within a project area from which tax increment will be collected, as shown upon
97 the assessment roll last equalized before:

98 [~~(a)~~] (i) for a pre-July 1, 1993 project area plan, the effective date of the project area
99 plan;

100 [~~(b)~~] (ii) for a post-June 30, 1993 project area plan:

101 [~~(c)~~] (A) the date of the taxing entity committee's approval of the first project area
102 budget; or

103 [~~(d)~~] (B) if no taxing entity committee approval is required for the project area budget,
104 the later of:

105 [~~(A)~~] (I) the date the project area plan is adopted by the community legislative body;
106 and

107 [~~(B)~~] (II) the date the agency adopts the first project area budget;

108 [~~(c)~~] (iii) for a project on an inactive industrial site, a year after the date on which the
109 inactive industrial site is sold for remediation and development; or

110 [~~(d)~~] (iv) for a project on an inactive airport site, a year after the later of:

111 [~~(i)~~] (A) the date on which the inactive airport site is sold for remediation and
112 development; and

113 [~~(ii)~~] (B) the date on which the airport that had been operated on the inactive airport

114 site ceased operations[-]; and

115 (b) for a community development project area, the agreed value specified in a
116 resolution or interlocal agreement under Subsection 17C-4-201(2).

117 (7) "Basic levy" means the portion of a school district's tax levy constituting the
118 minimum basic levy under Section 59-2-902.

119 (8) "Blight" or "blighted" means the condition of an area that meets the requirements
120 of Subsection 17C-2-303(1).

121 (9) "Blight hearing" means a public hearing under Subsection 17C-2-102(1)(a)(i)(C)
122 and Section 17C-2-302 regarding the existence or nonexistence of blight within the proposed
123 urban renewal project area.

124 (10) "Blight study" means a study to determine the existence or nonexistence of blight
125 within a survey area as provided in Section 17C-2-301.

126 (11) "Board" means the governing body of an agency, as provided in Section
127 17C-1-203.

128 (12) "Budget hearing" means the public hearing on a draft project area budget
129 required under Subsection 17C-2-201(2)(d) for an urban renewal project area budget or
130 Subsection 17C-3-201(2)(d) for an economic development project area budget.

131 (13) "Combined incremental value" means the combined total of all incremental
132 values from all urban renewal project areas, except project areas that contain some or all of a
133 military installation or inactive industrial site, within the agency's boundaries under adopted
134 project area plans and adopted project area budgets at the time that a project area budget for a
135 new urban renewal project area is being considered.

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

137 (15) "Community development" means development activities within a community,
138 including the encouragement, promotion, or provision of development.

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

141 (a) planning, design, development, construction, rehabilitation, business relocation, or

142 any combination of these, within a community; and

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

146 (17) "Fair share ratio" means the ratio derived by:

147 (a) for a city or town, comparing the percentage of all housing units within the city or
148 town that are publicly subsidized income targeted housing units to the percentage of all
149 housing units within the whole county that are publicly subsidized income targeted housing
150 units; or

151 (b) for the unincorporated part of a county, comparing the percentage of all housing
152 units within the unincorporated county that are publicly subsidized income targeted housing
153 units to the percentage of all housing units within the whole county that are publicly
154 subsidized income targeted housing units.

155 (18) "Family" has the meaning as defined under regulations of the U.S. Department of
156 Housing and Urban Development, 24 C.F.R. Section 5.403, as amended or as superseded by
157 replacement regulations.

158 (19) "Greenfield" means land not developed beyond agricultural or forestry use.

159 (20) "Hazardous waste" means any substance defined, regulated, or listed as a
160 hazardous substance, hazardous material, hazardous waste, toxic waste, pollutant,
161 contaminant, or toxic substance, or identified as hazardous to human health or the
162 environment, under state or federal law or regulation.

163 (21) "Housing funds" means the funds allocated in an urban renewal project area
164 budget under Section 17C-2-203 for the purposes provided in Subsection 17C-1-412(1).

165 (22) (a) "Inactive airport site" means land that:

166 (i) consists of at least 100 acres;

167 (ii) is occupied by an airport [~~that~~]:

168 (A) (I) that is no longer in operation as an airport; [~~and~~] or

169 (II) (Aa) that is scheduled to be decommissioned; and

170 (Bb) for which a replacement commercial service airport is under construction; and

171 (B) that is owned or was formerly owned and operated by a public entity; and

172 (iii) requires remediation because:

173 (A) of the presence of hazardous waste or solid waste; or

174 (B) the site lacks sufficient public infrastructure and facilities, including public roads,
175 electric service, water system, and sewer system, needed to support development of the site.

176 (b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land
177 described in Subsection (22)(a).

178 (23) (a) "Inactive industrial site" means land that:

179 (i) consists of at least 1,000 acres;

180 (ii) is occupied by an inactive or abandoned factory, smelter, or other heavy industrial
181 facility; and

182 (iii) requires remediation because of the presence of hazardous waste or solid waste.

183 (b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land
184 described in Subsection (23)(a).

185 (24) "Income targeted housing" means housing to be owned or occupied by a family
186 whose annual income is at or below 80% of the median annual income for the county in which
187 the housing is located.

188 (25) "Incremental value" means a figure derived by multiplying the marginal value of
189 the property located within an urban renewal project area on which tax increment is collected
190 by a number that represents the percentage of adjusted tax increment from that project area
191 that is paid to the agency.

192 (26) "Loan fund board" means the Olene Walker Housing Loan Fund Board,
193 established under Title 9, Chapter 4, Part 7, Olene Walker Housing Loan Fund.

194 (27) "Marginal value" means the difference between actual taxable value and base
195 taxable value.

196 (28) "Military installation project area" means a project area or a portion of a project
197 area located within a federal military installation ordered closed by the federal Defense Base

198 Realignment and Closure Commission.

199 (29) "Plan hearing" means the public hearing on a draft project area plan required
200 under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan, Subsection
201 17C-3-102(1)(d) for an economic development project area plan, and Subsection
202 17C-4-102(1)(d) for a community development project area plan.

203 (30) "Post-June 30, 1993 project area plan" means a project area plan adopted on or
204 after July 1, 1993, whether or not amended subsequent to its adoption.

205 (31) "Pre-July 1, 1993 project area plan" means a project area plan adopted before July
206 1, 1993, whether or not amended subsequent to its adoption.

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

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

210 (b) not dedicated to public use.

211 (33) "Project area" means the geographic area described in a project area plan or draft
212 project area plan where the urban renewal, economic development, or community
213 development, as the case may be, set forth in the project area plan or draft project area plan
214 takes place or is proposed to take place.

215 (34) "Project area budget" means a multiyear projection of annual or cumulative
216 revenues and expenses and other fiscal matters pertaining to a urban renewal or economic
217 development project area that includes:

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

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

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

221 (d) the amount of tax increment expected to be used to implement the project area
222 plan, including the estimated amount of tax increment to be used for land acquisition, public
223 improvements, infrastructure improvements, and loans, grants, or other incentives to private
224 and public entities;

225 (e) the tax increment expected to be used to cover the cost of administering the project

226 area plan;

227 (f) if the area from which tax increment is to be collected is less than the entire project

228 area:

229 (i) the tax identification numbers of the parcels from which tax increment will be

230 collected; or

231 (ii) a legal description of the portion of the project area from which tax increment will

232 be collected; ~~and~~

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

234 property to the agency and the expected selling price[-]; and

235 (h) (i) for an urban renewal project area, the information required under Subsection

236 17C-2-201(1)(b); and

237 (ii) for an economic development project area, the information required under

238 Subsection 17C-3-201(1)(b).

239 (35) "Project area plan" means a written plan under Chapter 2, Part 1, Urban Renewal

240 Project Area Plan, Chapter 3, Part 1, Economic Development Project Area Plan, or Chapter 4,

241 Part 1, Community Development Project Area Plan, as the case may be, that, after its effective

242 date, guides and controls the urban renewal, economic development, or community

243 development activities within a project area.

244 (36) "Property tax" includes privilege tax and each levy on an ad valorem basis on

245 tangible or intangible personal or real property.

246 (37) "Public entity" means:

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

248 (b) a political subdivision of the state, including a county, city, town, school district,

249 local district, special service district, or interlocal cooperation entity.

250 (38) "Publicly owned infrastructure and improvements" means water, sewer, storm

251 drainage, electrical, and other similar systems and lines, streets, roads, curb, gutter, sidewalk,

252 walkways, parking facilities, public transportation facilities, and other facilities, infrastructure,

253 and improvements benefitting the public and to be publicly owned or publicly maintained or

254 operated.

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

260 (40) "Superfund site":

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

263 (b) includes an area formerly included in the National Priorities List, as described in
264 Subsection (40)(a), but removed from the list following remediation that leaves on site the
265 waste that caused the area to be included in the National Priorities List.

266 (41) "Survey area" means an area designated by a survey area resolution for study to
267 determine whether one or more urban renewal projects within the area are feasible.

268 (42) "Survey area resolution" means a resolution adopted by the agency board under
269 Subsection 17C-2-101(1)(a) designating a survey area.

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

272 (44) (a) "Tax increment" means, except as provided in Subsection (44)(b), the
273 difference between:

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

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

279 (b) "Tax increment" does not include taxes levied and collected under Section
280 59-2-1602 on or after January 1, 1994 upon the taxable property in the project area unless:

281 (i) the project area plan was adopted before May 4, 1993, whether or not the project

282 area plan was subsequently amended; and

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

285 (45) "Taxing entity" means a public entity that levies a tax on property within a
286 community.

287 (46) "Taxing entity committee" means a committee representing the interests of taxing
288 entities, created as provided in Section 17C-1-402.

289 (47) "Unincorporated" means not within a city or town.

290 (48) (a) "Urban renewal" means the development activities under a project area plan
291 within an urban renewal project area, including:

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

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

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

298 (iv) providing open space, including streets and other public grounds and space
299 around buildings;

300 (v) providing public or private buildings, infrastructure, structures, and improvements;
301 and

302 (vi) providing improvements of public or private recreation areas and other public
303 grounds.

304 (b) "Urban renewal" means "redevelopment," as defined under the law in effect before
305 May 1, 2006, if the context requires.

306 Section 2. Section **17C-1-204** is amended to read:

307 **17C-1-204. Urban renewal, economic development, and community development**
308 **by an adjoining agency -- Requirements.**

309 (1) An agency or community may, by resolution of its board or legislative body,

310 respectively, authorize an agency to conduct urban renewal, economic development, or
311 community development activities in a project area that includes an area within the
312 authorizing agency's boundaries or within the boundaries of the authorizing community if the
313 project area or community is contiguous to the boundaries of the other agency.

314 (2) If an agency board or community legislative body adopts a resolution under
315 Subsection (1) authorizing another agency to undertake urban renewal, economic
316 development, or community development activities in the authorizing agency's project area or
317 within the boundaries of the authorizing community:

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

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

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

324 (3) Each project area plan approved by the other agency for the project area that is the
325 subject of a resolution under Subsection (1) shall be adopted by ordinance of the legislative
326 body of the community in which the project area is located.

327 (4) (a) As used in this Subsection (4):

328 (i) "County agency" means an agency that was created by a county.

329 (ii) "Industrial property" means private real property:

330 (A) over half of which is located within the boundary of a town, as defined in Section
331 10-1-104; and

332 (B) comprises some or all of an inactive industrial site.

333 (iii) "Perimeter portion" means the portion of an inactive industrial site that is:

334 (A) part of the inactive industrial site because it lies within the perimeter described in
335 Subsection 17C-1-102(23)(b); and

336 (B) located within the boundary of a city, as defined in Section 10-1-104.

337 (b) (i) Subject to Subsection (4)(b)(ii), a county agency may undertake urban renewal,

338 economic development, or community development on industrial property if the record
339 property owner of the industrial property submits a written request to the county agency to do
340 so.

341 (ii) A county agency may not include a perimeter portion within a project area without
342 the approval of the city in which the perimeter portion is located.

343 (c) If a county agency undertakes urban renewal, economic development, or
344 community development on industrial property:

345 (i) the county agency may act in all respects as if the project area that includes the
346 industrial property were within the county agency's boundary;

347 (ii) the board of the county agency has each right, power, and privilege with respect to
348 the project area as if the project area were within the county agency's boundary; and

349 (iii) the county agency may be paid tax increment to the same extent as if the project
350 area were within the county agency's boundary.

351 (d) A project area plan for a project on industrial property that is approved by the
352 county agency shall be adopted by ordinance of the legislative body of the county in which the
353 project area is located.

354 Section 3. Section **17C-1-207** is amended to read:

355 **17C-1-207. Public entities may assist with urban renewal, economic**
356 **development, or community development project.**

357 (1) In order to assist and cooperate in the planning, undertaking, construction, or
358 operation of [an] urban renewal, economic development, or community development [project
359 located] within the area in which it is authorized to act, a public entity may:

360 (a) (i) provide or cause to be furnished [~~adjacent to or in connection with an urban~~
361 ~~renewal, economic development, or community development project~~]:

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

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

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

365 (ii) provide, furnish, dedicate, close, vacate, pave, install, grade, regrade, plan, or

366 replan streets, roads, roadways, alleys, sidewalks, or other places;

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

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

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

373 (vi) do any and all things necessary to aid or cooperate in the planning or carrying out
374 of ~~[an]~~ the urban renewal, economic development, or community development ~~[project]~~;

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

378 (viii) lend, grant, or contribute funds to an agency for an urban renewal, economic
379 development, or community development project; and

380 (b) 15 days after posting public notice:

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

382 (ii) sell, grant, convey, or otherwise dispose of the public entity's property or lease the
383 public entity's property to an agency.

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

386 (3) A grant or contribution of funds from a public entity to an agency is not subject to
387 the requirements of Section 10-8-2.

388 Section 4. Section **17C-1-401** is amended to read:

389 **17C-1-401. Agency receipt and use of tax increment and sales tax -- Distribution**
390 **of tax increment and sales tax.**

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

393 (2) (a) The applicable length of time or number of years for which an agency is to be

394 paid tax increment or sales tax under this part shall be measured:

395 (i) for a pre-July 1, 1993 project area plan, from the first tax year regarding which the
396 agency accepts tax increment from the project area;

397 (ii) for a post-June 30, 1993 urban renewal or economic development project area
398 plan, from the first tax year for which the agency receives tax increment under the project area
399 budget; or

400 (iii) for a community development project area plan, as indicated in the resolution or
401 interlocal agreement of a taxing entity that establishes the agency's right to receive tax
402 increment or sales tax.

403 (b) Tax increment may not be paid to an agency for a tax year prior to the tax year
404 following:

405 (i) for an urban renewal or economic development project area plan, the effective date
406 of the project area plan; and

407 (ii) for a community development project area plan, the effective date of the interlocal
408 agreement that establishes the agency's right to receive tax increment.

409 (3) With respect to a community development project area plan[;]:

410 (a) a taxing entity or public entity may, by resolution or through interlocal agreement,
411 authorize an agency to be paid any or all of that taxing entity or public entity's tax increment
412 or sales tax for any period of time[-]; and

413 (b) the resolution or interlocal agreement authorizing the agency to be paid tax
414 increment or sales tax shall specify:

415 (i) the base taxable value of the project area; and

416 (ii) the method of calculating the amount of tax increment or sales tax to be paid to the
417 agency.

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

421 (5) Each county that collects property tax on property within a project area shall pay

422 and distribute to the agency the tax increment that the agency is entitled to collect under this
423 title, in the manner and at the time provided in Section 59-2-1365.

424 Section 5. Section **17C-1-402** is amended to read:

425 **17C-1-402. Taxing entity committee.**

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

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

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

431 (B) (I) in a county of the second, third, fourth, fifth, or sixth class, two representatives
432 appointed by resolution of the legislative body of the county in which the agency is located; or

433 (II) in a county of the first class, one representative appointed by the county executive
434 and one representative appointed by the legislative body of the county in which the agency is
435 located;

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

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

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

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

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

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

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

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

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

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

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

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

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

467 (3) At its first meeting, a taxing entity committee shall adopt an organizing resolution:

468 (a) designating a chair and a secretary of the committee; and

469 (b) if the committee considers it appropriate, governing the use of electronic meetings
470 under Section 52-4-207.

471 ~~[(3)]~~ (4) A taxing entity committee represents all taxing entities regarding an urban
472 renewal or economic development project area and may:

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

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

475 (c) approve or disapprove [a] an urban renewal project area budget as provided in
476 Section 17C-2-204 ~~[for an urban renewal]~~ or an economic development project area budget
477 ~~[and]~~ as provided in Section 17C-3-203 ~~[for an economic development project area budget];~~

478 (d) approve or disapprove amendments to a project area budget as provided in Section
479 17C-2-206 for an urban renewal project area budget and Section 17C-3-205 for an economic
480 development project area budget;

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

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

485 (g) approve the use of tax increment for publicly owned infrastructure and
486 improvements outside of an urban renewal or economic development project area that the
487 agency and community legislative body determine to be of benefit to the urban renewal or
488 economic development project area, as provided in Subsection 17C-1-409(1)(a)(iii)(D);

489 (h) waive the restrictions imposed by Subsection 17C-2-202(1); and

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

492 [~~4~~] 5 A quorum of a taxing entity committee consists of:

493 (a) if the urban renewal or economic development project area is located within a city
494 or town, five members; or

495 (b) if the urban renewal or economic development project area is not located within a
496 city or town, four members.

497 [~~5~~] 6 Taxing entity committee approval, consent, or other action requires the
498 affirmative vote of two-thirds of all members present at a taxing entity committee meeting at
499 which a quorum is present.

500 [~~6~~] 7 (a) An agency may call a meeting of the taxing entity committee by sending
501 written notice to the members of the taxing entity committee at least ten days before the date
502 of the meeting.

503 (b) Each notice under Subsection [~~6~~] 7(a) shall be accompanied by:

504 (i) the proposed agenda for the taxing entity committee meeting; and

505 (ii) if not previously provided and if they exist and are to be considered at the meeting:

506 (A) the urban renewal or economic development project area plan or proposed plan;

507 (B) the urban renewal or economic development project area budget or proposed
508 budget;

509 (C) the analysis required under Subsection 17C-2-103(2) or 17C-3-103(2);

510 (D) the blight study;

511 (E) the agency's resolution making a finding of blight under Subsection
512 17C-2-102(1)(a) (ii)(B); and

513 (F) other documents to be considered by the taxing entity committee at the meeting.

514 ~~[(7)]~~ (8) (a) A taxing entity committee may not vote on a proposed urban renewal or
515 economic development project area budget or proposed amendment to an urban renewal or
516 economic development project area budget at the first meeting at which the proposed budget
517 or amendment is considered unless all members of the taxing entity committee present at the
518 meeting consent.

519 (b) A second taxing entity committee meeting to consider an urban renewal or
520 economic development project area budget or a proposed amendment to an urban renewal or
521 economic development project area budget may not be held within 14 days after the first
522 meeting unless all members of the taxing entity committee present at the first meeting consent.

523 ~~[(8)]~~ (9) Each taxing entity committee shall meet at least annually during the time that
524 the agency receives tax increment under an urban renewal or economic development project
525 area budget in order to review the status of the project area.

526 ~~[(9)]~~ (10) Each taxing entity committee shall be governed by Title 52, Chapter 4,
527 Open and Public Meetings Act.

528 ~~[(10)]~~ (11) Each time a school district representative or a representative of the State
529 Board of Education votes as a member of a taxing entity committee to allow an agency to be
530 paid tax increment or to increase the amount or length of time that an agency may be paid tax
531 increment, that representative shall, within 45 days after the vote, provide to the
532 representative's respective school board an explanation in writing of the representative's vote
533 and the reasons for the vote.

534 ~~[(11)]~~ (12) (a) The auditor of each county in which the agency is located shall provide
535 a written report to the taxing entity committee stating, with respect to property within each
536 urban renewal and economic development project area:

537 (i) the base taxable value, as adjusted by any adjustments under Section 17C-1-408;
538 and

539 (ii) the assessed value.

540 (b) With respect to the information required under Subsection ~~[(11)]~~ (12)(a), the
541 auditor shall provide:

542 (i) actual amounts for each year from the adoption of the urban renewal and economic
543 development project area plan to the time of the report; and

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

547 (c) The auditor of the county in which the agency is located shall provide a report
548 under this Subsection ~~[(11)]~~ (12):

549 (i) at least annually; and

550 (ii) upon request of the taxing entity committee, before a taxing entity committee
551 meeting at which the committee will consider whether to allow the agency to be paid tax
552 increment or to increase the amount of tax increment that the agency may be paid or the length
553 of time that the agency may be paid tax increment.

554 ~~[(12)]~~ (13) This section does not apply to a community development project area plan.

555 Section 6. Section **17C-1-405** is amended to read:

556 **17C-1-405. Tax increment under a project area plan adopted on or after May 1,**
557 **2006.**

558 (1) This section applies to tax increment under a project area plan adopted on or after
559 May 1, 2006.

560 (2) Subject to the approval of the taxing entity committee, an agency board may
561 provide in the urban renewal or economic development project area budget for the agency to

562 be paid:

563 (a) for an urban renewal project area plan that proposes development of an inactive
564 industrial site or inactive airport site, at least 60% of tax increment for at least [~~15~~] 20 years;
565 or

566 (b) for each other project, any percentage of tax increment up to 100% or any
567 specified dollar amount of tax increment for any period of time.

568 (3) A resolution or interlocal agreement relating to an agency's use of tax increment for
569 a community development project area plan may provide for the agency to be paid any
570 percentage of tax increment up to 100% or any specified dollar amount of tax increment for
571 any period of time.

572 Section 7. Section **17C-1-407** is amended to read:

573 **17C-1-407. Limitations on tax increment.**

574 (1) (a) If the development of retail sales of goods is the primary objective of an urban
575 renewal project area, tax increment from the urban renewal project area may not be paid to or
576 used by an agency unless a finding of blight is made under Chapter 2, Part 3, Blight
577 Determination in Urban Renewal Project Areas.

578 (b) Development of retail sales of goods does not disqualify an agency from receiving
579 tax increment.

580 (c) After July 1, 2005, an agency may not be paid or use tax increment generated from
581 the value of property within an economic development project area that is attributable to the
582 development of retail sales of goods, unless the tax increment was previously pledged to pay
583 for bonds or other contractual obligations of the agency.

584 (2) (a) An agency may not be paid any portion of a taxing entity's taxes resulting from
585 an increase in the taxing entity's tax rate that occurs after the taxing entity committee approves
586 the project area budget unless, at the time the taxing entity committee approves the project
587 area budget, the taxing entity committee approves payment of those increased taxes to the
588 agency.

589 (b) If the taxing entity committee does not approve of payment of the increased taxes

590 to the agency under Subsection (2)(a), the county shall distribute to the taxing entity the taxes
591 attributable to the tax rate increase in the same manner as other property taxes.

592 (3) Except as the taxing entity committee otherwise agrees, an agency may not receive
593 tax increment under an urban renewal or economic development project area budget adopted
594 on or after the effective date of this bill:

595 (a) that exceeds the percentage of tax increment or cumulative dollar amount of tax
596 increment specified in the project area budget; or

597 (b) for more tax years than specified in the project area budget.

598 Section 8. Section **17C-1-409** is amended to read:

599 **17C-1-409. Allowable uses of tax increment and sales tax.**

600 (1) (a) An agency may use tax increment and sales tax proceeds received from a taxing
601 entity:

602 (i) for any of the purposes for which the use of tax increment is authorized under this
603 title;

604 (ii) for administrative, overhead, legal, and other operating expenses of the agency,
605 including consultant fees and expenses under Subsection 17C-2-102(1)(b)(ii)(B); or

606 (iii) to pay for, including financing or refinancing, all or part of:

607 (A) urban renewal activities in the project area from which the tax increment funds are
608 collected, including environmental remediation activities occurring before or after adoption of
609 the project area plan;

610 (B) economic development or community development activities in the project area
611 from which the tax increment funds are collected;

612 (C) housing expenditures, projects, or programs as provided in Section 17C-1-411 or
613 17C-1-412;

614 (D) subject to Subsections (1)(c) and (6), the value of the land for and the cost of the
615 installation and construction of any publicly owned building, facility, structure, landscaping,
616 or other improvement within the project area from which the tax increment funds were
617 collected; and

618 (E) subject to Subsection (1)(d), the cost of the installation of publicly owned
619 infrastructure and improvements outside the project area from which the tax increment funds
620 were collected if the agency board and the community legislative body determine by resolution
621 that the publicly owned infrastructure and improvements are of benefit to the project area.

622 (b) The determination of the agency board and the community legislative body under
623 Subsection (1)(a)(iii)(E) regarding benefit to the project area shall be final and conclusive.

624 (c) An agency may not use tax increment or sales tax proceeds received from a taxing
625 entity for the purposes stated in Subsection (1)(a)(iii)(D) under an urban renewal or economic
626 development project area plan without the consent of the community legislative body.

627 (d) An agency may not use tax increment or sales tax proceeds received from a taxing
628 entity for the purposes stated in Subsection (1)(a)(iii)(E) under an urban renewal or economic
629 development project area plan without the consent of the community legislative body and the
630 taxing entity committee.

631 (2) Sales tax proceeds that an agency receives from another public entity are not
632 subject to the prohibition or limitations of Title 11, Chapter 41, Prohibition on Sales and Use
633 Tax Incentive Payments Act.

634 (3) An agency may use sales tax proceeds it receives under a resolution or interlocal
635 agreement under Section 17C-4-201 for the uses authorized in the resolution or interlocal
636 agreement.

637 (4) (a) An agency may contract with the community that created the agency or another
638 public entity to use tax increment to reimburse the cost of items authorized by this title to be
639 paid by the agency that have been or will be paid by the community or other public entity.

640 (b) If land has been or will be acquired or the cost of an improvement has been or will
641 be paid by another public entity and the land or improvement has been or will be leased to the
642 community, an agency may contract with and make reimbursement from tax increment funds
643 to the community.

644 (5) An agency created by a city of the first or second class may use tax increment from
645 one project area in another project area to pay all or part of the value of the land for and the

646 cost of the installation and construction of a publicly or privately owned convention center or
647 sports complex or any building, facility, structure, or other improvement related to the
648 convention center or sports complex, including parking and infrastructure improvements, if:

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

651 (b) the tax increment is pledged to pay all or part of the value of the land for and the
652 cost of the installation and construction of the convention center or sports complex or related
653 building, facility, structure, or other improvement.

654 (6) Notwithstanding any other provision of this title, an agency may not use tax
655 increment to construct municipal buildings, courts or other judicial buildings, or fire stations.

656 (7) Notwithstanding any other provision of this title, an agency may not use tax
657 increment under an urban renewal or economic development project area plan, to pay any of
658 the cost of the land, infrastructure, or construction of a stadium or arena constructed after
659 March 1, 2005, unless the tax increment has been pledged for that purpose before February 15,
660 2005.

661 (8) (a) An agency may not use tax increment to pay the debt service of or any other
662 amount related to a bond issued or other obligation incurred if the bond was issued or the
663 obligation was incurred:

664 (i) by an interlocal entity created under Title 11, Chapter 13, Interlocal Cooperation
665 Act;

666 (ii) on or after the effective date of this bill; and

667 (iii) to finance a telecommunication facility.

668 (b) Subsection (8)(a) may not be construed to prohibit the refinancing, restatement, or
669 refunding of a bond issued before the effective date of this bill.

670 Section 9. Section **17C-1-411** is amended to read:

671 **17C-1-411. Use of tax increment for housing and for relocating mobile home**
672 **park residents -- Funds to be held in separate accounts.**

673 (1) An agency may:

674 (a) use tax increment from a project area to pay all or part of the value of the land for
675 and the cost of installation, construction, and rehabilitation of any building, facility, structure,
676 or other housing improvement, including infrastructure improvements related to housing,
677 located in any project area within the agency's boundaries; and

678 (b) use up to 20% of tax increment:

679 (i) outside of project areas for the purpose of:

680 (A) replacing housing units lost by urban renewal, economic development, or
681 community development; or

682 (B) increasing, improving, and preserving generally the affordable housing supply [~~of~~
683 ~~the community that created~~] within the boundary of the agency; or

684 (ii) for relocating mobile home park residents displaced by development, whether
685 inside or outside a project area.

686 (2) (a) Each agency shall separately account for funds allocated under this section.

687 (b) Interest earned by the housing fund and any payments or repayments made to the
688 agency for loans, advances, or grants of any kind from the fund, shall accrue to the housing
689 fund.

690 (c) Each agency designating a housing fund under this section shall use the fund for:

691 (i) the purposes set forth in this section; or

692 (ii) the purposes set forth in this title relating to the urban renewal, economic
693 development, or community development project area from which the funds originated.

694 (3) An agency may lend, grant, or contribute funds from the housing fund to a person,
695 public entity, housing authority, private entity or business, or nonprofit corporation for
696 affordable housing.

697 Section 10. Section **17C-1-412** is amended to read:

698 **17C-1-412. Use of funds allocated for housing -- Separate accounting required --**
699 **Issuance of bonds for housing -- Action to compel agency to provide housing funds.**

700 (1) (a) Each agency shall use all funds allocated for housing under this section to:

701 (i) pay part or all of the cost of land or construction of income targeted housing within

702 the ~~[community that created]~~ boundary of the agency, if practicable in a mixed income
703 development or area;

704 (ii) pay part or all of the cost of rehabilitation of income targeted housing within the
705 ~~[community that created]~~ boundary of the agency;

706 (iii) lend, grant, or contribute money to a person, public entity, housing authority,
707 private entity or business, or nonprofit corporation for income targeted housing within the
708 boundary of the agency;

709 (iv) plan or otherwise promote income targeted housing within the boundary of the
710 agency;

711 ~~[(iii)]~~ (v) pay part or all of the cost of land or installation, construction, or
712 rehabilitation of any building, facility, structure, or other housing improvement, including
713 infrastructure improvements, related to housing located in a project area where blight has been
714 found to exist;

715 ~~[(iv)]~~ (vi) replace housing units lost as a result of the urban renewal, economic
716 development, or community development;

717 ~~[(v)]~~ (vii) make payments on or establish a reserve fund for bonds:
718 (A) issued by the agency, the community, or the housing authority that provides
719 income targeted housing within the community; and
720 (B) all or part of the proceeds of which are used within the community for the
721 purposes stated in Subsection (1)(a)(i), (ii), (iii), ~~[or]~~ (iv), (v), or (vi);

722 ~~[(vi)]~~ (viii) if the community's fair share ratio at the time of the first adoption of the
723 project area budget is at least 1.1 to 1.0, make payments on bonds:
724 (A) that were previously issued by the agency, the community, or the housing
725 authority that provides income targeted housing within the community; and
726 (B) all or part of the proceeds of which were used within the community for the
727 purposes stated in Subsection (1)(a)(i), (ii), (iii), ~~[or]~~ (iv), (v), or (vi); or
728 ~~[(vii)]~~ (ix) relocate mobile home park residents displaced by an urban renewal,
729 economic development, or community development project.

730 (b) As an alternative to the requirements of Subsection (1)(a), an agency may pay all
731 or any portion of housing funds to:

732 (i) the community for use as provided under Subsection (1)(a);

733 (ii) the housing authority that provides income targeted housing within the community
734 for use in providing income targeted housing within the community; or

735 (iii) the Olene Walker Housing Loan Fund, established under Title 9, Chapter 4, Part
736 7, Olene Walker Housing Loan Fund, for use in providing income targeted housing within the
737 community.

738 (2) The agency or community shall separately account for the housing funds, together
739 with all interest earned by the housing funds and all payments or repayments for loans,
740 advances, or grants from the housing funds.

741 [~~3~~] ~~In using housing funds under Subsection (1)(a), an agency may lend, grant, or~~
742 ~~contribute housing funds to a person, public body, housing authority, private entity or~~
743 ~~business, or nonprofit organization for use as provided in Subsection (1)(a).]~~

744 [~~4~~] (3) An agency may:

745 (a) issue bonds from time to time to finance a housing undertaking under this section,
746 including the payment of principal and interest upon advances for surveys and plans or
747 preliminary loans; and

748 (b) issue refunding bonds for the payment or retirement of bonds under Subsection
749 [~~4~~] (3)(a) previously issued by the agency.

750 [~~5~~] (4) (a) If an agency fails to provide housing funds in accordance with the project
751 area budget and, if applicable, the housing plan adopted under Subsection 17C-2-204(2), the
752 loan fund board may bring legal action to compel the agency to provide the housing funds.

753 (b) In an action under Subsection [~~5~~] (4)(a), the court:

754 (i) shall award the loan fund board a reasonable attorney fee, unless the court finds
755 that the action was frivolous; and

756 (ii) may not award the agency its attorney fees, unless the court finds that the action
757 was frivolous.

758 Section 11. Section **17C-1-415** is enacted to read:

759 **17C-1-415. Obligations of agencies that use tax increment to pay for**
760 **communication infrastructure or facility.**

761 An agency that uses tax increment on or after the effective date of this bill to pay for
762 communication infrastructure or a communication facility:

763 (1) may not make or grant any undue or unreasonable preference or advantage to a
764 provider of communication service with respect to the communication infrastructure or
765 communication facility for which the tax increment is used; and

766 (2) shall allow the communication infrastructure and facilities for which tax increment
767 is used to be used by any other provider of communication service on a fair, equitable, and
768 nondiscriminatory basis.

769 Section 12. Section **17C-1-601** is amended to read:

770 **17C-1-601. Annual agency budget -- Fiscal year -- Public hearing required --**
771 **Auditor forms -- Requirement to file form.**

772 (1) Each agency shall prepare and its board adopt an annual budget of revenues and
773 expenditures for the agency for each fiscal year.

774 (2) Each annual agency budget shall be adopted:

775 (a) for an agency created by a city or town, before June 22; or

776 (b) for an agency created by a county, before December 15.

777 (3) The agency's fiscal year shall be the same as the fiscal year of the community that
778 created the agency.

779 (4) (a) Before adopting an annual budget, each agency board shall hold a public
780 hearing on the annual budget.

781 (b) Each agency shall provide notice of the public hearing on the annual budget by:

782 (i) publishing at least one notice in a newspaper of general circulation within the
783 agency boundaries, one week before the public hearing; or

784 (ii) if there is no newspaper of general circulation within the agency boundaries,
785 posting a notice of the public hearing in at least three public places within the agency

786 boundaries.

787 (c) Each agency shall make the annual budget available for public inspection at least
788 three days before the date of the public hearing.

789 (5) The state auditor shall prescribe the budget forms and the categories to be
790 contained in each agency budget, including:

791 (a) revenues and expenditures for the budget year;

792 (b) legal fees; and

793 (c) administrative costs, including rent, supplies, and other materials, and salaries of
794 agency personnel.

795 (6) (a) Within [~~30~~] 90 days after adopting an annual budget, each agency board shall
796 file a copy of the annual budget with the auditor of the county in which the agency is located,
797 the State Tax Commission, the state auditor, the State Board of Education, and each taxing
798 entity that levies a tax on property from which the agency collects tax increment.

799 (b) The requirement of Subsection (6)(a) to file a copy of the annual budget with the
800 state as a taxing entity is met if the agency files a copy with the State Tax Commission and the
801 state auditor.

802 Section 13. Section **17C-2-110** is amended to read:

803 **17C-2-110. Amending an urban renewal project area plan.**

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

806 (2) If an agency proposes to amend an adopted urban renewal project area plan to
807 enlarge the project area:

808 (a) subject to Subsection (2)(e), the requirements under this part that apply to adopting
809 a project area plan apply equally to the proposed amendment as if it were a proposed project
810 area plan;

811 (b) for a pre-July 1, 1993 project area plan, the base year taxable value for the new
812 area added to the project area shall be determined under Subsection 17C-1-102(6)(a)(i) using
813 the effective date of the amended project area plan;

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

815 (i) the base year taxable value for the new area added to the project area shall be
816 determined under Subsection 17C-1-102(6)(~~fb~~)(a)(ii) using the date of the taxing entity
817 committee's consent referred to in Subsection (2)(c)(ii); and

818 (ii) the agency shall obtain the consent of the taxing entity committee before the
819 agency may collect tax increment from the area added to the project area by the amendment;

820 (d) the agency shall make a finding regarding the existence of blight in the area
821 proposed to be added to the project area by following the procedure set forth in Subsections
822 17C-2-102(1)(a)(i) and (ii); and

823 (e) the agency need not make a finding regarding the existence of blight in the project
824 area as described in the original project area plan, if the agency made a finding of the
825 existence of blight regarding that project area in connection with adoption of the original
826 project area plan.

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

830 (a) the agency gives notice, as provided in Section 17C-2-502, of the proposed
831 amendment and of the public hearing required by Subsection (3)(b);

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

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

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

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

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

842 and

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

847 (4) (a) An adopted urban renewal project area plan may be amended without
848 complying with the notice and public hearing requirements of Subsections (2)(a) and (3)(a)
849 and (b) and without obtaining taxing entity committee approval under Subsection (3)(c) if the
850 amendment:

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

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

- 856 (A) the parcel is no longer blighted; or
- 857 (B) inclusion of the parcel is no longer necessary or desirable to the project area.

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

861 (5) (a) An amendment approved by board resolution under this section may not take
862 effect until adopted by ordinance of the legislative body of the community in which the project
863 area that is the subject of the project area plan being amended is located.

864 (b) Upon a community legislative body passing an ordinance adopting an amendment
865 to a project area plan, the agency whose project area plan was amended shall comply with the
866 requirements of Section 17C-2-109 to the same extent as if the amendment were a project area
867 plan.

868 Section 14. Section **17C-2-201** is amended to read:

869 **17C-2-201. Project area budget -- Requirements for adopting -- Contesting the**

870 **budget or procedure -- Time limit.**

871 (1) (a) If an agency anticipates funding all or a portion of a post-June 30, 1993 urban
872 renewal project area plan with tax increment, the agency shall, subject to Section 17C-2-202,
873 adopt a project area budget as provided in this part.

874 (b) An urban renewal project area budget adopted on or after the effective date of this
875 bill shall specify:

876 (i) the number of tax years for which the agency will be allowed to receive tax
877 increment from the project area; and

878 (ii) the percentage of tax increment or maximum cumulative dollar amount of tax
879 increment the agency is entitled to receive from the project area under the project area budget.

880 (2) To adopt an urban renewal project area budget, the agency shall:

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

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

884 (c) provide notice of the budget hearing as required by Part 5, Urban Renewal Notice
885 Requirements;

886 (d) hold a public hearing on the draft project area budget and, at that public hearing,
887 allow public comment on:

888 (i) the draft project area budget; and

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

890 (e) (i) if required under Subsection 17C-2-204(1), obtain the approval of the taxing
891 entity committee on the draft project area budget or a revised version of the draft project area
892 budget; or

893 (ii) if applicable, comply with the requirements of Subsection 17C-2-204(2); and

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

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

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

900 (3) (a) For a period of 30 days after the agency's adoption of the project area budget
901 under Subsection (2)(f), any person in interest may contest the project area budget or the
902 procedure used to adopt the project area budget if the budget or procedure fails to comply with
903 applicable statutory requirements.

904 (b) After the 30-day period under Subsection (3)(a) expires, no person may contest the
905 project area budget or procedure used to adopt the project area budget for any cause.

906 Section 15. Section **17C-3-109** is amended to read:

907 **17C-3-109. Amending an economic development project area plan.**

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

910 (2) If an agency proposes to amend an adopted economic development project area
911 plan to enlarge the project area:

912 (a) the requirements under this part that apply to adopting a project area plan apply
913 equally to the proposed amendment as if it were a proposed project area plan;

914 (b) the base year taxable value for the new area added to the project area shall be
915 determined under Subsection 17C-1-102(6)(~~b~~)(a)(ii) using the date of the taxing entity
916 committee's consent referred to in Subsection (2)(c); and

917 (c) the agency shall obtain the consent of the taxing entity committee before the
918 agency may collect tax increment from the area added to the project area by the amendment.

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

922 (a) the agency gives notice, as provided in Section 17C-3-402, of the proposed
923 amendment and of the public hearing required by Subsection (3)(b);

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

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

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

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

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

935 (4) (a) An adopted project area plan may be amended without complying with the
936 notice and public hearing requirements of Subsections (2)(a) and (3)(a) and (b) and without
937 obtaining taxing entity committee approval under Subsection (3)(c) if the amendment:

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

941 (ii) subject to Subsection (4)(b), removes a parcel of real property from a project area
942 because the agency determines that inclusion of the parcel is no longer necessary or desirable
943 to the project area.

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

947 (5) (a) An amendment approved by board resolution under this section may not take
948 effect until adopted by ordinance of the legislative body of the community in which the project
949 area that is the subject of the project area plan being amended is located.

950 (b) Upon a community legislative body passing an ordinance adopting an amendment
951 to a project area plan, the agency whose project area plan was amended shall comply with the
952 requirements of Section 17C-3-108 to the same extent as if the amendment were a project area
953 plan.

954 Section 16. Section **17C-3-201** is amended to read:

955 **17C-3-201. Economic development project area budget -- Requirements for**
956 **adopting -- Contesting the budget or procedure -- Time limit.**

957 (1) (a) If an agency anticipates funding all or a portion of a post-June 30, 1993
958 economic development project area plan with tax increment, the agency shall, subject to
959 Section 17C-3-202, adopt a project area budget as provided in this part.

960 (b) An economic development project area budget adopted on or after the effective
961 date of this bill shall specify:

962 (i) the number of tax years for which the agency will be allowed to receive tax
963 increment from the project area; and

964 (ii) the percentage of tax increment or maximum cumulative dollar amount of tax
965 increment the agency is entitled to receive from the project area under the project area budget.

966 (2) To adopt an economic development project area budget, the agency shall:

967 (a) prepare a draft of an economic development project area budget;

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

970 (c) provide notice of the budget hearing as required by Part 4, Economic Development
971 Notice Requirements;

972 (d) hold a public hearing on the draft project area budget and, at that public hearing,
973 allow public comment on:

974 (i) the draft project area budget; and

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

976 (e) (i) if required under Subsection 17C-3-203(1), obtain the approval of the taxing
977 entity committee on the draft project area budget or a revised version of the draft project area
978 budget; or

979 (ii) if applicable, comply with the requirements of Subsection 17C-3-203(2); and

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

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

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

986 (3) (a) For a period of 30 days after the agency's adoption of the project area budget
987 under Subsection (2)(f), any person in interest may contest the project area budget or the
988 procedure used to adopt the project area budget if the budget or procedure fails to comply with
989 applicable statutory requirements.

990 (b) After the 30-day period under Subsection (3)(a) expires, no person may contest the
991 project area budget or procedure used to adopt the project area budget for any cause.

992 Section 17. Section **17C-3-202** is amended to read:

993 **17C-3-202. Part of tax increment funds in an economic development project area**
994 **budget to be used for housing -- Waiver of requirement.**

995 (1) This section applies only to an economic development project area budget adopted
996 on or after May 1, 2000, but before the effective date of this bill.

997 ~~[(+)]~~ (2) (a) Except as provided in Subsection ~~[(+)]~~ (2)(b), each economic
998 development project area budget adopted on or after May 1, 2000 but before the effective date
999 of this bill that provides for more than \$100,000 of annual tax increment to be paid to the
1000 agency shall allocate at least 20% of the tax increment for housing as provided in Section
1001 17C-1-412.

1002 (b) The 20% requirement of Subsection ~~[(+)]~~ (2)(a) may be waived:

1003 (i) in part or whole by the mutual consent of the loan fund board and the taxing entity
1004 committee if they determine that 20% of tax increment is more than is needed to address the
1005 community's need for income targeted housing; or

1006 (ii) in fifth and sixth class counties, by the taxing entity committee for economic
1007 development project area budgets adopted on or after May 1, 2002 but before the effective
1008 date of this bill, if the economic development project area consists of an area without housing
1009 units.

1010 ~~[(2)]~~ (3) An economic development project area budget not required under Subsection
1011 ~~[(1)]~~ (2)(a) to allocate tax increment for housing may allocate 20% of tax increment payable to
1012 the agency over the life of the project area for housing as provided in Section 17C-1-412 if the
1013 project area budget is under a project area plan that is adopted on or after July 1, 1998.

1014 Section 18. Section **17C-3-203** is amended to read:

1015 **17C-3-203. Consent of taxing entity committee required for economic**
1016 **development project area budget -- Exception.**

1017 (1) (a) Except as provided in Subsection (1)(b) and subject to Subsection (2), each
1018 agency shall obtain the consent of the taxing entity committee for each economic development
1019 project area budget under a post-June 30, 1993 economic development project area plan before
1020 the agency may collect any tax increment from the project area.

1021 (b) For an economic development project area budget adopted from July 1, 1998
1022 through May 1, 2000 that allocates 20% or more of the tax increment for housing as provided
1023 in Section 17C-1-412, an agency:

1024 (i) need not obtain the consent of the taxing entity committee for the project area
1025 budget; and

1026 (ii) may not collect any tax increment from all or part of the project area until after:

1027 (A) the loan fund board has certified the project area budget as complying with the
1028 requirements of Section 17C-1-412; and

1029 (B) the agency board has approved and adopted the project area budget by a
1030 two-thirds vote.

1031 (2) (a) Before a taxing entity committee may consent to an economic development
1032 project area budget adopted on or after May 1, 2000 that ~~[is required under Subsection~~
1033 ~~17C-3-202(1)(a) to allocate]~~ allocates 20% of tax increment for housing under Subsection
1034 17C-3-202(2)(a) or (3), the agency shall:

1035 (i) adopt a housing plan showing the uses for the housing funds; and

1036 (ii) provide a copy of the housing plan to the taxing entity committee and the loan
1037 fund board.

1038 (b) If an agency amends a housing plan prepared under Subsection (2)(a), the agency
1039 shall provide a copy of the amendment to the taxing entity committee and the loan fund board.

1040 Section 19. Section **17C-4-201** is amended to read:

1041 **17C-4-201. Consent of a taxing entity or public entity to an agency receiving tax**
1042 **increment or sales tax funds for community development project.**

1043 (1) An agency may negotiate with a taxing entity and public [agency] entity for the
1044 taxing entity's or public [agency's] entity's consent to the agency receiving the entity's or
1045 public [agency's] entity's tax increment or sales tax revenues, or both, for the purpose of
1046 providing funds to carry out a proposed or adopted community development project area plan.

1047 (2) The consent of a taxing entity or public [agency] entity under Subsection (1) may
1048 be expressed in:

1049 (a) a resolution adopted by the taxing entity or public [agency] entity; or

1050 (b) an interlocal agreement, under Title 11, Chapter 13, Interlocal Cooperation Act,
1051 between the taxing entity or public [agency] entity and the agency.

1052 (3) A resolution adopted or interlocal agreement entered under Subsection (2) on or
1053 after the effective date of this bill shall specify:

1054 (a) if the resolution or interlocal agreement provides for the agency to be paid tax
1055 increment:

1056 (i) the method of calculating the amount of the taxing entity's tax increment from the
1057 project area that will be paid to the agency, including the agreed base year and agreed base
1058 taxable value;

1059 (ii) the number of tax years that the agency will be paid the taxing entity's tax
1060 increment from the project area; and

1061 (iii) the percentage of the taxing entity's tax increment or maximum cumulative dollar
1062 amount of the taxing entity's tax increment that the agency will be paid; and

1063 (b) if the resolution or interlocal agreement provides for the agency to be paid a public
1064 entity's sales tax revenue:

1065 (i) the method of calculating the amount of the public entity's sales tax revenue that

1066 the agency will be paid:

1067 (ii) the number of tax years that the agency will be paid the sales tax revenue; and

1068 (iii) the percentage of sales tax revenue or the maximum cumulative dollar amount of
1069 sales tax revenue that the agency will be paid.

1070 (4) (a) Unless the taxing entity otherwise agrees, an agency may not be paid a taxing
1071 entity's tax increment:

1072 (i) that exceeds the percentage or maximum cumulative dollar amount of tax
1073 increment specified in the resolution or interlocal agreement under Subsection (2); or

1074 (ii) for more tax years than specified in the resolution or interlocal agreement under
1075 Subsection (2).

1076 (b) Unless the public entity otherwise agrees, an agency may not be paid a public
1077 entity's sales tax revenue:

1078 (i) that exceeds the percentage or maximum cumulative dollar amount of sales tax
1079 revenue specified in the resolution or interlocal agreement under Subsection (2); or

1080 (ii) for more tax years than specified in the resolution or interlocal agreement under
1081 Subsection (2).

1082 [~~3~~] (5) A school district may consent to an agency receiving tax increment from the
1083 school district's basic levy only to the extent that the school district also consents to the agency
1084 receiving tax increment from the school district's local levy.

1085 [~~4~~] (6) (a) A resolution or interlocal agreement under this section may be amended
1086 from time to time.

1087 (b) Each amendment of a resolution or interlocal agreement shall be subject to and
1088 receive the benefits of the provisions of this part to the same extent as if the amendment were
1089 an original resolution or interlocal agreement.

1090 [~~5~~] (7) A taxing entity's or public [~~agency's~~] entity's consent to an agency receiving
1091 funds under this section is not subject to the requirements of Section 10-8-2.

1092 Section 20. Section **17C-4-202** is amended to read:

1093 **17C-4-202. Resolution or interlocal agreement to provide funds for the**

1094 **community development project area plan -- Notice -- Effective date of resolution or**
1095 **interlocal agreement -- Time to contest resolution or interlocal agreement -- Availability**
1096 **of resolution or interlocal agreement.**

1097 (1) The approval and adoption of each resolution or interlocal agreement under
1098 Subsection 17C-4-201(2) shall be in an open and public meeting.

1099 (2) (a) Upon the adoption of a resolution or interlocal agreement under Section
1100 17C-4-201, the agency shall provide notice as provided in Subsection (2)(b) by:

1101 (i) publishing or causing to be published a notice in a newspaper of general circulation
1102 within the agency's boundaries; or

1103 (ii) if there is no newspaper of general circulation within the agency's boundaries,
1104 causing a notice to be posted in at least three public places within the agency's boundaries.

1105 (b) Each notice under Subsection (2)(a) shall:

1106 (i) set forth a summary of the resolution or interlocal agreement; and

1107 (ii) include a statement that the resolution or interlocal agreement is available for
1108 general public inspection and the hours of inspection.

1109 (3) The resolution or interlocal agreement shall become effective on the date of:

1110 (a) if notice was published under Subsection (2)(a), publication of the notice; or

1111 (b) if notice was posted under Subsection (2)(a), posting of the notice.

1112 (4) (a) For a period of 30 days after the effective date of the resolution or interlocal
1113 agreement under Subsection (3), any person in interest may contest the resolution or interlocal
1114 agreement or the procedure used to adopt the resolution or interlocal agreement if the
1115 resolution or interlocal agreement or procedure fails to comply with applicable statutory
1116 requirements.

1117 (b) After the 30-day period under Subsection (4)(a) expires, no person may contest the
1118 resolution or interlocal agreement for any cause.

1119 (5) Each agency that is to receive funds under a resolution or interlocal agreement
1120 under Section 17C-4-201 and each taxing entity or public ~~[agency]~~ entity that approves a
1121 resolution or enters into an interlocal agreement under Section 17C-4-201 shall make the

1122 resolution or interlocal agreement, as the case may be, available at its offices to the general
1123 public for inspection and copying during normal business hours.

1124 Section 21. Section **17C-4-203** is amended to read:

1125 **17C-4-203. Requirement to file a copy of the resolution or interlocal agreement**
1126 **-- County payment of tax increment to the agency.**

1127 (1) Each agency that is to receive funds under a resolution or interlocal agreement
1128 under Section 17C-4-201 shall, within 30 days after the effective date of the resolution or
1129 interlocal agreement, file a copy of it with:

1130 (a) the State Tax Commission, the State Board of Education, and the state auditor; and

1131 (b) the auditor of the county in which the project area is located, if the resolution or
1132 interlocal agreement provides for the agency to receive tax increment from the taxing entity or
1133 public [agency] entity that adopted the resolution or entered into the interlocal agreement.

1134 (2) Each county that collects property tax on property within a community
1135 development project area shall, in the manner and at the time provided in Section 59-2-1365,
1136 pay and distribute to the agency the tax increment that the agency is entitled to receive under a
1137 resolution approved or an interlocal agreement adopted under Section 17C-4-201.

1138 Section 22. **Effective date.**

1139 If approved by two-thirds of all the members elected to each house, this bill takes effect
1140 upon approval by the governor, or the day following the constitutional time limit of Utah
1141 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,
1142 the date of veto override.

1143 Section 23. **Revisor instructions.**

1144 It is the intent of the Legislature that, in preparing the Utah Code database for
1145 publication, the Office of Legislative Research and General Counsel shall replace the language
1146 "the effective date of this bill" with the bill's actual effective date.