

**Senator Sheldon L. Killpack** proposes the following substitute bill:

**MILITARY INSTALLATION DEVELOPMENT**

**AUTHORITY AMENDMENTS**

2009 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Sheldon L. Killpack**

House Sponsor: Brad L. Dee

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**LONG TITLE**

**General Description:**

This bill modifies provisions related to the military installation development authority.

**Highlighted Provisions:**

This bill:

- ▶ authorizes the military installation development authority to levy a municipal energy sales and use tax, municipal telecommunications license tax, and a transient room tax;
- ▶ places a limit on the tax rate that the military installation development authority may levy and provides a process for exceeding that rate;
- ▶ prohibits municipalities from levying a municipal energy sales and use tax, municipal telecommunications license tax, or a transient room tax in a project area described in a project area plan adopted by the military installation development authority;
- ▶ provides for a portion of sales and use tax revenues generated within a project area described in a project area plan adopted by the military installation development authority to be distributed to the military installation development authority;
- ▶ prohibits municipalities, local districts, and special service districts from annexing



26 land within a military installation development authority project area without the consent of the  
27 military installation development authority;

28       ▶ authorizes the military installation development authority to issue industrial revenue  
29 bonds and provides for the authority to be subject to the Utah Industrial Facilities  
30 and Development Act;

31       ▶ authorizes the military installation development authority to issue assessment bonds  
32 and provides for the authority to be subject to the Assessment Area Act;

33       ▶ modifies the definitions of "base taxable value," "military land," "project area,"  
34 "publicly owned infrastructure and improvements," and "taxing entity" and  
35 eliminates the definition of "record property owner" under the Military Installation  
36 Development Act;

37       ▶ modifies and clarifies the status of the military installation development authority to  
38 provide that it has statewide jurisdiction, that its purpose is to facilitate the  
39 development of military land, and that it is a political subdivision of the state and a  
40 public corporation;

41       ▶ modifies the powers of the military installation development authority, including  
42 giving it the power to:

43           • acquire an interest in property outside a project area, if the board considers it  
44 necessary for fulfilling the authority's development objectives; and

45           • exercise exclusive police power within a project area;

46       ▶ prohibits the military installation development authority from itself providing law  
47 enforcement or fire protection service;

48       ▶ provides for the distribution of some tax increment revenue;

49       ▶ requires some revenues to be used for municipal services within project areas;

50       ▶ expands the military installation development authority's exemption from county  
51 and municipal ordinances to include an exemption from all county and municipal  
52 ordinances and regulations, not just those related to land use;

53       ▶ exempts the military installation development authority from the jurisdiction of  
54 local districts and special service districts;

55       ▶ requires the military installation development authority to provide notice of the  
56 establishment of project areas;

- 57           ▶ authorizes the board of the military installation development authority to delegate
- 58 powers to its staff;
- 59           ▶ provides that board appointees serve at the pleasure of and may be removed and
- 60 replaced by the appointing authority;
- 61           ▶ modifies requirements for preparing and adopting a project area plan;
- 62           ▶ requires the board of the military installation development authority to adopt a
- 63 project area budget before receiving or using tax increment and authorizes the board
- 64 to amend a project area budget;
- 65           ▶ provides that improvements become subject to property tax in the year during which
- 66 the military installation development authority issues a certificate of occupancy;
- 67           ▶ designates the authority chief financial officer as a public treasurer and requires the
- 68 chief financial officer to invest certain authority funds as provided in the State
- 69 Money Management Act;
- 70           ▶ modifies a provision relating to the allowable uses of tax increment; and
- 71           ▶ provides that, upon the dissolution of the military installation development
- 72 authority, all title to its property vests in the state.

73 **Monies Appropriated in this Bill:**

74           None

75 **Other Special Clauses:**

76           This bill provides an immediate effective date.

77 **Utah Code Sections Affected:**

78 AMENDS:

79           **10-1-304**, as last amended by Laws of Utah 2004, Chapter 255

80           **10-1-403**, as last amended by Laws of Utah 2007, Chapter 250

81           **10-2-401**, as last amended by Laws of Utah 2008, Chapter 360

82           **10-2-402**, as last amended by Laws of Utah 2008, Chapter 167

83           **11-17-2**, as last amended by Laws of Utah 2001, Chapter 73

84           **11-42-102**, as last amended by Laws of Utah 2008, Chapter 360

85           **17B-1-104**, as renumbered and amended by Laws of Utah 2007, Chapter 329

86           **17B-1-402**, as renumbered and amended by Laws of Utah 2007, Chapter 329

87           **17D-1-104**, as enacted by Laws of Utah 2008, Chapter 360

- 88            **17D-1-401**, as enacted by Laws of Utah 2008, Chapter 360
- 89            **59-12-205**, as last amended by Laws of Utah 2008, Chapter 384
- 90            **59-12-352**, as last amended by Laws of Utah 2005, First Special Session, Chapter 10
- 91            **63H-1-102**, as enacted by Laws of Utah 2007, Chapter 23
- 92            **63H-1-201**, as last amended by Laws of Utah 2008, Chapter 120
- 93            **63H-1-301**, as enacted by Laws of Utah 2007, Chapter 23
- 94            **63H-1-302**, as enacted by Laws of Utah 2007, Chapter 23
- 95            **63H-1-303**, as enacted by Laws of Utah 2007, Chapter 23
- 96            **63H-1-401**, as enacted by Laws of Utah 2007, Chapter 23
- 97            **63H-1-402**, as enacted by Laws of Utah 2007, Chapter 23
- 98            **63H-1-403**, as enacted by Laws of Utah 2007, Chapter 23
- 99            **63H-1-501**, as enacted by Laws of Utah 2007, Chapter 23
- 100           **63H-1-502**, as last amended by Laws of Utah 2008, Chapter 120
- 101           **63H-1-801**, as enacted by Laws of Utah 2007, Chapter 23

102 ENACTS:

- 103            **11-17-3.5**, Utah Code Annotated 1953
- 104            **63H-1-203**, Utah Code Annotated 1953
- 105            **63H-1-405**, Utah Code Annotated 1953
- 106            **63H-1-503**, Utah Code Annotated 1953
- 107            **63H-1-706**, Utah Code Annotated 1953

108 RENUMBERS AND AMENDS:

- 109            **63H-1-202**, (Renumbered from 63H-1-404, as enacted by Laws of Utah 2007, Chapter
- 110 23)

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

113            Section 1. Section **10-1-304** is amended to read:

114            **10-1-304. Municipality may levy tax -- Rate -- Imposition or repeal of tax -- Tax**  
115 **rate change -- Effective date -- Notice requirements -- Exemptions.**

116            (1) (a) Except as provided in [~~Subsection (4)~~] Subsections (4) and (5), a municipality  
117 may levy a municipal energy sales and use tax on the sale or use of taxable energy within the  
118 municipality:

119            [~~(a)~~] (i) by ordinance as provided in Section 10-1-305; and

120            [~~(b)~~] (ii) of up to 6% of the delivered value of the taxable energy.

121            (b) Subject to Section 63H-1-203, the military installation development authority  
122 created in Section 63H-1-201 may levy a municipal energy sales and use tax under this part  
123 within a project area described in a project area plan adopted by the authority under Title 63H,  
124 Chapter 1, Military Installation Development Authority Act, as though the authority were a  
125 municipality.

126            (2) A municipal energy sales and use tax imposed under this part may be in addition to  
127 any sales and use tax imposed by the municipality under Title 59, Chapter 12, Sales and Use  
128 Tax Act.

129            (3) (a) For purposes of this Subsection (3):

130            (i) "Annexation" means an annexation to a municipality under Title 10, Chapter 2, Part  
131 4, Annexation.

132            (ii) "Annexing area" means an area that is annexed into a municipality.

133            (b) (i) If, on or after May 1, 2000, a city or town enacts or repeals a tax or changes the  
134 rate of a tax under this part, the enactment, repeal, or change shall take effect:

135            (A) on the first day of a calendar quarter; and

136            (B) after a 90-day period beginning on the date the commission receives notice meeting  
137 the requirements of Subsection (3)(b)(ii) from the municipality.

138            (ii) The notice described in Subsection (3)(b)(i)(B) shall state:

139            (A) that the city or town will enact or repeal a tax or change the rate of a tax under this  
140 part;

141            (B) the statutory authority for the tax described in Subsection (3)(b)(ii)(A);

142            (C) the effective date of the tax described in Subsection (3)(b)(ii)(A); and

143            (D) if the city or town enacts the tax or changes the rate of the tax described in  
144 Subsection (3)(b)(ii)(A), the new rate of the tax.

145            (c) (i) If, for an annexation that occurs on or after May 1, 2000, the annexation will  
146 result in a change in the rate of a tax under this part for an annexing area, the change shall take  
147 effect:

148            (A) on the first day of a calendar quarter; and

149            (B) after a 90-day period beginning on the date the commission receives notice meeting

150 the requirements of Subsection (3)(c)(ii) from the municipality that annexes the annexing area.

151 (ii) The notice described in Subsection (3)(c)(i)(B) shall state:

152 (A) that the annexation described in Subsection (3)(c)(i) will result in a change in the  
153 rate of a tax under this part for the annexing area;

154 (B) the statutory authority for the tax described in Subsection (3)(c)(ii)(A);

155 (C) the effective date of the tax described in Subsection (3)(c)(ii)(A); and

156 (D) the new rate of the tax described in Subsection (3)(c)(ii)(A).

157 (4) [~~Notwithstanding Subsection (1), a~~] A sale or use of electricity within a

158 municipality is exempt from the tax authorized by this section if the sale or use is:

159 (a) made under a tariff adopted by the Public Service Commission of Utah only for  
160 purchase of electricity produced from a new wind, geothermal, biomass, or solar power energy  
161 source, as designated in the tariff by the Public Service Commission of Utah; and

162 (b) for an amount of electricity that is:

163 (i) unrelated to the amount of electricity used by the person purchasing the electricity  
164 under the tariff described in Subsection (4)(a); and

165 (ii) equivalent to the number of kilowatthours specified in the tariff described in  
166 Subsection (4)(a) that may be purchased under the tariff described in Subsection (4)(a).

167 (5) (a) A municipality may not levy a municipal energy sales and use tax within any  
168 portion of the municipality that is within a project area described in a project area plan adopted  
169 by the military installation development authority under Title 63H, Chapter 1, Military  
170 Installation Development Authority Act.

171 (b) Subsection (5)(a) does not apply to the military installation development authority's  
172 levy of a municipal energy sales and use tax.

173 Section 2. Section **10-1-403** is amended to read:

174 **10-1-403. Municipality may levy municipal telecommunications license tax --**  
175 **Recovery from customers -- Enactment, repeal, or change in rate of tax -- Annexation.**

176 (1) (a) (i) Subject to the provisions of this section, beginning July 1, 2004, a  
177 municipality may levy on and provide that there is collected from a telecommunications  
178 provider a municipal telecommunications license tax on the telecommunications provider's  
179 gross receipts from telecommunications service that are attributed to the municipality in  
180 accordance with Section 10-1-407.

181           (ii) Subject to Section 63H-1-203, the military installation development authority  
182 created in Section 63H-1-201 may levy and collect a municipal telecommunications license tax  
183 under this part for telecommunications service provided within a project area described in a  
184 project area plan adopted by the authority under Title 63H, Chapter 1, Military Installation  
185 Development Authority Act, as though the authority were a municipality.

186           (b) To levy and provide for the collection of a municipal telecommunications license  
187 tax under this part, the municipality shall adopt an ordinance that complies with the  
188 requirements of Section 10-1-404.

189           (c) Beginning on July 1, 2007, a municipal telecommunications license tax imposed  
190 under this part shall be at a rate of up to 3.5% of the telecommunications provider's gross  
191 receipts from telecommunications service that are attributed to the municipality in accordance  
192 with Section 10-1-407.

193           (2) A telecommunications provider may recover the amounts paid in municipal  
194 telecommunications license taxes from the customers of the telecommunications provider  
195 within the municipality imposing the municipal telecommunications license tax through a  
196 charge that is separately identified in the statement of the transaction with the customer as the  
197 recovery of a tax.

198           (3) (a) For purposes of this Subsection (3):

199           (i) "Annexation" means an annexation to a municipality under Title 10, Chapter 2, Part  
200 4, Annexation.

201           (ii) "Annexing area" means an area that is annexed into a municipality.

202           (b) (i) If, on or after July 1, 2004, a municipality enacts or repeals a tax or changes the  
203 rate of the tax under this part, the enactment, repeal, or change shall take effect:

204           (A) on the first day of a calendar quarter; and

205           (B) after a 90-day period beginning on the date the commission receives notice meeting  
206 the requirements of Subsection (3)(b)(ii) from the municipality.

207           (ii) The notice described in Subsection (3)(b)(i)(B) shall state:

208           (A) that the municipality will enact or repeal a tax under this part or change the rate of  
209 the tax;

210           (B) the statutory authority for the tax described in Subsection (3)(b)(ii)(A);

211           (C) the effective date of the tax described in Subsection (3)(b)(ii)(A); and

212 (D) if the municipality enacts the municipal telecommunications license tax or changes  
213 the rate of the tax, the new rate of the tax.

214 (c) (i) If, for an annexation that occurs on or after July 1, 2004, the annexation will  
215 result in a change in the rate of the tax under this part for an annexing area, the change shall  
216 take effect:

217 (A) on the first day of a calendar quarter; and

218 (B) after a 90-day period beginning on the date the commission receives notice meeting  
219 the requirements of Subsection (3)(c)(ii) from the municipality that annexes the annexing area.

220 (ii) The notice described in Subsection (3)(c)(i)(B) shall state:

221 (A) that the annexation described in Subsection (3)(c)(i) will result in a change in the  
222 rate of a tax under this part for the annexing area;

223 (B) the statutory authority for the tax described in Subsection (3)(c)(ii)(A);

224 (C) the effective date of the tax described in Subsection (3)(c)(ii)(A); and

225 (D) the new rate of the tax described in Subsection (3)(c)(ii)(A).

226 (4) Notwithstanding Subsection (3)(b), for purposes of a change in a municipal  
227 telecommunications license tax rate that takes effect on July 1, 2007, a municipality is not  
228 subject to the notice requirements of Subsection (3)(b) if:

229 (a) on June 30, 2007, the municipality has in effect an ordinance that levies a municipal  
230 telecommunications license tax at a rate that exceeds 3.5%; and

231 (b) on July 1, 2007, the municipality has in effect an ordinance that levies a municipal  
232 telecommunications license tax at a rate of 3.5%.

233 (5) Notwithstanding Subsection (3)(b), for purposes of a change in a municipal  
234 telecommunications license tax rate that takes effect on July 1, 2007, the 90-day period  
235 described in Subsection (3)(b)(i)(B) is considered to be a 30-day period if:

236 (a) on June 30, 2007, the municipality has in effect an ordinance that levies a municipal  
237 telecommunications license tax at a rate that exceeds 3.5%; and

238 (b) on July 1, 2007, the municipality has in effect an ordinance that levies a municipal  
239 telecommunications license tax at a rate that is less than 3.5%.

240 (6) (a) A municipality may not levy or collect a municipal telecommunications license  
241 tax for telecommunication service provided within any portion of the municipality that is  
242 within a project area described in a project area plan adopted by the military installation

243 development authority under Title 63H, Chapter 1, Military Installation Development  
244 Authority Act.

245 (b) Subsection (6)(a) does not apply to the military installation development authority's  
246 levy of a municipal telecommunications license tax.

247 Section 3. Section **10-2-401** is amended to read:

248 **10-2-401. Definitions -- Property owner provisions.**

249 (1) As used in this part:

250 (a) "Affected entity" means:

251 (i) a county in whose unincorporated area the area proposed for annexation is located;

252 (ii) a local district under Title 17B, Limited Purpose Local Government Entities - Local  
253 Districts, or special service district under Title 17D, Chapter 1, Special Service District Act,  
254 whose boundaries include any part of an area proposed for annexation;

255 (iii) a school district whose boundaries include any part of an area proposed for  
256 annexation; and

257 (iv) a municipality whose boundaries are within 1/2 mile of an area proposed for  
258 annexation.

259 (b) "Annexation petition" means a petition under Section 10-2-403 proposing the  
260 annexation to a municipality of a contiguous, unincorporated area that is contiguous to the  
261 municipality.

262 (c) "Commission" means a boundary commission established under Section 10-2-409  
263 for the county in which the property that is proposed for annexation is located.

264 (d) "Expansion area" means the unincorporated area that is identified in an annexation  
265 policy plan under Section 10-2-401.5 as the area that the municipality anticipates annexing in  
266 the future.

267 (e) "Feasibility consultant" means a person or firm with expertise in the processes and  
268 economics of local government.

269 (f) "Municipal selection committee" means a committee in each county composed of  
270 the mayor of each municipality within that county.

271 (g) "Private," with respect to real property, means not owned by the United States or  
272 any agency of the federal government, the state, a county, a municipality, a school district, a  
273 local district under Title 17B, Limited Purpose Local Government Entities - Local Districts, a

274 special service district under Title 17D, Chapter 1, Special Service District Act, or any other  
275 political subdivision or governmental entity of the state.

276 (h) "Specified county" means a county of the second, third, fourth, fifth, or sixth class.

277 (i) "Urban development" means:

278 (i) a housing development with more than 15 residential units and an average density  
279 greater than one residential unit per acre; or

280 (ii) a commercial or industrial development for which cost projections exceed  
281 \$750,000 for all phases.

282 (2) For purposes of this part:

283 (a) the owner of real property shall be:

284 (i) except as provided in Subsection (2)(a)(ii), the record title owner according to the  
285 records of the county recorder on the date of the filing of the petition or protest; [and] or

286 (ii) the lessee of military land, as defined in Section 63H-1-102, if the area proposed  
287 for annexation includes military land that is within a project area described in a project area  
288 plan adopted by the military installation development authority under Title 63H, Chapter 1,  
289 Military Installation Development Authority Act; and

290 (b) the value of private real property shall be determined according to the last  
291 assessment roll for county taxes before the filing of the petition or protest.

292 (3) For purposes of each provision of this part that requires the owners of private real  
293 property covering a percentage or majority of the total private land area within an area to sign a  
294 petition or protest:

295 (a) a parcel of real property may not be included in the calculation of the required  
296 percentage or majority unless the petition or protest is signed by:

297 (i) except as provided in Subsection (3)(a)(ii), owners representing a majority  
298 ownership interest in that parcel; or

299 (ii) if the parcel is owned by joint tenants or tenants by the entirety, 50% of the number  
300 of owners of that parcel;

301 (b) the signature of a person signing a petition or protest in a representative capacity on  
302 behalf of an owner is invalid unless:

303 (i) the person's representative capacity and the name of the owner the person represents  
304 are indicated on the petition or protest with the person's signature; and

305 (ii) the person provides documentation accompanying the petition or protest that  
306 substantiates the person's representative capacity; and

307 (c) subject to Subsection (3)(b), a duly appointed personal representative may sign a  
308 petition or protest on behalf of a deceased owner.

309 Section 4. Section **10-2-402** is amended to read:

310 **10-2-402. Annexation -- Limitations.**

311 (1) (a) A contiguous, unincorporated area that is contiguous to a municipality may be  
312 annexed to the municipality as provided in this part.

313 (b) An unincorporated area may not be annexed to a municipality unless:

314 (i) it is a contiguous area;

315 (ii) it is contiguous to the municipality;

316 (iii) except as provided in Subsection 10-2-418(1)(b), annexation will not leave or  
317 create an unincorporated island or peninsula; and

318 (iv) for an area located in a specified county with respect to an annexation that occurs  
319 after December 31, 2002, the area is within the proposed annexing municipality's expansion  
320 area.

321 (2) Except as provided in Section 10-2-418, a municipality may not annex an  
322 unincorporated area unless a petition under Section 10-2-403 is filed requesting annexation.

323 (3) An annexation under this part may not include part of a parcel of real property and  
324 exclude part of that same parcel unless the owner of that parcel has signed the annexation  
325 petition under Section 10-2-403.

326 (4) A municipality may not annex an unincorporated area in a specified county for the  
327 sole purpose of acquiring municipal revenue or to retard the capacity of another municipality to  
328 annex the same or a related area unless the municipality has the ability and intent to benefit the  
329 annexed area by providing municipal services to the annexed area.

330 (5) The legislative body of a specified county may not approve urban development  
331 within a municipality's expansion area unless:

332 (a) the county notifies the municipality of the proposed development; and

333 (b) (i) the municipality consents in writing to the development; or

334 (ii) (A) within 90 days after the county's notification of the proposed development, the  
335 municipality submits to the county a written objection to the county's approval of the proposed

336 development; and

337 (B) the county responds in writing to the municipality's objections.

338 (6) (a) An annexation petition may not be filed under this part proposing the  
339 annexation of an area located in a county that is not the county in which the proposed annexing  
340 municipality is located unless the legislative body of the county in which the area is located has  
341 adopted a resolution approving the proposed annexation.

342 (b) Each county legislative body that declines to adopt a resolution approving a  
343 proposed annexation described in Subsection (6)(a) shall provide a written explanation of its  
344 reasons for declining to approve the proposed annexation.

345 (7) (a) As used in this Subsection (7), "airport" means an area that the Federal Aviation  
346 Administration has, by a record of decision, approved for the construction or operation of a  
347 Class I, II, or III commercial service airport, as designated by the Federal Aviation  
348 Administration in 14 C.F.R. Part 139.

349 (b) A municipality may not annex an unincorporated area within 5,000 feet of the  
350 center line of any runway of an airport operated or to be constructed and operated by another  
351 municipality unless the legislative body of the other municipality adopts a resolution  
352 consenting to the annexation.

353 (c) A municipality that operates or intends to construct and operate an airport and does  
354 not adopt a resolution consenting to the annexation of an area described in Subsection (7)(b)  
355 may not deny an annexation petition proposing the annexation of that same area to that  
356 municipality.

357 (8) A municipality may not annex an unincorporated area located within a project area  
358 described in a project area plan adopted by the military installation development authority  
359 under Title 63H, Chapter 1, Military Installation Development Authority Act, without the  
360 authority's approval.

361 Section 5. Section **11-17-2** is amended to read:

362 **11-17-2. Definitions.**

363 As used in this chapter:

364 (1) "Bonds" means bonds, notes, or other evidences of indebtedness.

365 (2) "Finance" or "financing" includes the issuing of bonds by a municipality, county, or  
366 state university for the purpose of using a portion, or all or substantially all of the proceeds to

367 pay for or to reimburse the user or its designee for the costs of the acquisition of facilities of a  
368 project, or to create funds for the project itself where appropriate, whether these costs are  
369 incurred by the municipality, the county, the state university, the user, or a designee of the user.  
370 If title to or in these facilities at all times remains in the user, the bonds of the municipality or  
371 county shall be secured by a pledge of one or more notes, debentures, bonds, other secured or  
372 unsecured debt obligations of the user, or such sinking fund or other arrangement as in the  
373 judgment of the governing body is appropriate for the purpose of assuring repayment of the  
374 bond obligations to investors in accordance with their terms.

375 (3) "Governing body" means [~~the board or body that the general legislative powers of~~  
376 ~~the municipality or county are vested. In the case of state universities to which this chapter~~  
377 ~~applies, "governing body" means~~]:

378 (a) for a county, city, or town, the legislative body of the county, city, or town;

379 (b) for the military installation development authority created in Section 63H-1-201,  
380 the authority board, as defined in Section 63H-1-102;

381 (c) for the University of Utah and Utah State University, the board or body having the  
382 control and supervision of the University of Utah and Utah State University [and, with  
383 reference to]; and

384 (d) for a nonprofit corporation or foundation created by and operating under the  
385 auspices of a state university, the board of directors or board of trustees of that corporation or  
386 foundation.

387 (4) "Industrial park" means land, including all necessary rights, appurtenances,  
388 easements, and franchises relating to it, acquired and developed by any municipality, county, or  
389 state university for the establishment and location of a series of sites for plants and other  
390 buildings for industrial, distribution, and wholesale use. There may be included as part of the  
391 development of the land for any industrial park under this chapter the acquisition and provision  
392 of water, sewerage, drainage, street, road, sidewalk, curb, gutter, street lighting, electrical  
393 distribution, railroad, or docking facilities, or any combination of them, but only to the extent  
394 that these facilities are incidental to the use of the land as an industrial park.

395 (5) "Mortgage" means a mortgage, trust deed, or other security device.

396 (6) "Municipality" means any incorporated city or town in the state, including cities or  
397 towns operating under home rule charters.

398 (7) "Pollution" means any form of environmental pollution including, but not limited  
399 to, water pollution, air pollution, pollution caused by solid waste disposal, thermal pollution,  
400 radiation contamination, or noise pollution.

401 (8) "Project" means:

402 (a) any industrial park, land, interest in land, building, structure, facility, system,  
403 fixture, improvement, appurtenance, machinery, equipment, or any combination of them,  
404 whether or not in existence or under construction:

405 (i) that is suitable for industrial, manufacturing, warehousing, research, business, and  
406 professional office building facilities, commercial, shopping services, food, lodging, low  
407 income rental housing, recreational, or any other business purposes;

408 (ii) that is suitable to provide services to the general public;

409 (iii) that is suitable for use by any corporation, person, or entity engaged in health care  
410 services, including hospitals, nursing homes, extended care facilities, facilities for the care of  
411 persons with a physical or mental disability, and administrative and support facilities; or

412 (iv) that is suitable for use by a state university for the purpose of aiding in the  
413 accomplishment of its authorized academic, scientific, engineering, technical, and economic  
414 development functions, but "project" does not include any property, real, personal, or mixed,  
415 for the purpose of the construction, reconstruction, improvement, or maintenance of a public  
416 utility as defined in Section 54-2-1, and except as provided in Subsection (8)(b);

417 (b) any land, interest in land, building, structure, facility, system, fixture, improvement,  
418 appurtenance, machinery, equipment, or any combination of them, used by any individual,  
419 partnership, firm, company, corporation, public utility, association, trust, estate, political  
420 subdivision, state agency, or any other legal entity, or its legal representative, agent, or assigns,  
421 for the reduction, abatement, or prevention of pollution, including, but not limited to, the  
422 removal or treatment of any substance in process material, if that material would cause  
423 pollution if used without the removal or treatment;

424 (c) facilities, machinery, or equipment, the manufacturing and financing of which will  
425 maintain or enlarge domestic or foreign markets for Utah industrial products; or

426 (d) any economic development or new venture investment fund to be raised other than  
427 from:

428 (i) municipal or county general fund moneys;

429 (ii) moneys raised under the taxing power of any county or municipality; or

430 (iii) moneys raised against the general credit of any county or municipality.

431 (9) "State university" means the University of Utah and Utah State University and  
432 includes any nonprofit corporation or foundation created by and operating under their authority.

433 (10) "User" means the person, whether natural or corporate, who will occupy, operate,  
434 maintain, and employ the facilities of, or manage and administer a project after the financing,  
435 acquisition, or construction of it, whether as owner, manager, purchaser, lessee, or otherwise.

436 Section 6. Section **11-17-3.5** is enacted to read:

437 **11-17-3.5. Powers of Military Installation Development Authority.**

438 The military installation development authority, created in Section 63H-1-201, is  
439 subject to and governed by the provisions of this chapter to the same extent as if the military  
440 installation development authority were a municipality.

441 Section 7. Section **11-42-102** is amended to read:

442 **11-42-102. Definitions.**

443 (1) "Adequate protests" means timely filed, written protests under Section 11-42-203  
444 that represent at least 50% of the frontage, area, taxable value, fair market value, lots, number  
445 of connections, or equivalent residential units of the property proposed to be assessed,  
446 according to the same assessment method by which the assessment is proposed to be levied,  
447 after eliminating:

448 (a) protests relating to:

449 (i) property that has been deleted from a proposed assessment area; or

450 (ii) an improvement that has been deleted from the proposed improvements to be  
451 provided to property within the proposed assessment area; and

452 (b) protests that have been withdrawn under Subsection 11-42-203(3).

453 (2) "Assessment area" means an area, or, if more than one area is designated, the  
454 aggregate of all areas within a local entity's jurisdictional boundaries that is designated by a  
455 local entity under Part 2, Designating an Assessment Area, for the purpose of financing the  
456 costs of improvements, operation and maintenance, or economic promotion activities that  
457 benefit property within the area.

458 (3) "Assessment bonds" means bonds that are:

459 (a) issued under Section 11-42-605; and

460 (b) payable in part or in whole from assessments levied in an assessment area,  
461 improvement revenues, and a guaranty fund or reserve fund.

462 (4) "Assessment fund" means a special fund that a local entity establishes under  
463 Section 11-42-412.

464 (5) "Assessment lien" means a lien on property within an assessment area that arises  
465 from the levy of an assessment, as provided in Section 11-42-501.

466 (6) "Assessment method" means the method by which an assessment is levied against  
467 property, whether by frontage, area, taxable value, fair market value, lot, number of  
468 connections, equivalent residential unit, or any combination of these methods.

469 (7) "Assessment ordinance" means an ordinance adopted by a local entity under  
470 Section 11-42-404 that levies an assessment on benefitted property within an assessment area.

471 (8) "Assessment resolution" means a resolution adopted by a local entity under Section  
472 11-42-404 that levies an assessment on benefitted property within an assessment area.

473 (9) "Benefitted property" means property within an assessment area that benefits from  
474 improvements, operation and maintenance, or economic promotion activities.

475 (10) "Bond anticipation notes" means notes issued under Section 11-42-602 in  
476 anticipation of the issuance of assessment bonds.

477 (11) "Bonds" means assessment bonds and refunding assessment bonds.

478 (12) "Commercial area" means an area in which at least 75% of the property is devoted  
479 to the interchange of goods or commodities.

480 (13) "Connection fee" means a fee charged by a local entity to pay for the costs of  
481 connecting property to a publicly owned sewer, water, gas, telecommunications, or electrical  
482 system, whether or not improvements are installed on the property.

483 (14) "Contract price" means:

484 (a) the cost of acquiring an improvement, if the improvement is acquired; or

485 (b) the amount payable to one or more contractors for the design, engineering,  
486 inspection, and construction of an improvement.

487 (15) "Designation ordinance" means an ordinance adopted by a local entity under  
488 Section 11-42-206 designating an assessment area.

489 (16) "Designation resolution" means a resolution adopted by a local entity under  
490 Section 11-42-206 designating an assessment area.

491 (17) "Economic promotion activities" means activities that promote economic growth  
492 in a commercial area of a local entity, including:  
493 (a) sponsoring festivals and markets;  
494 (b) promoting business investment or activities;  
495 (c) helping to coordinate public and private actions; and  
496 (d) developing and issuing publications designed to improve the economic well-being  
497 of the commercial area.

498 (18) "Equivalent residential unit" means a dwelling, unit, or development that is equal  
499 to a single-family residence in terms of the nature of its use or impact on an improvement to be  
500 provided in the assessment area.

501 (19) "Governing body" means:

- 502 (a) for a county, city, or town, the legislative body of the county, city, or town;
- 503 (b) for a local district, the board of trustees of the local district; [~~and~~]
- 504 (c) for a special service district:
  - 505 (i) the legislative body of the county, city, or town that established the special service
  - 506 district, if no administrative control board has been appointed under Section 17D-1-301; or
  - 507 (ii) the administrative control board of the special service district, if an administrative
  - 508 control board has been appointed under Section 17D-1-301[-]; and
  - 509 (d) for the military installation development authority created in Section 63H-1-201,
  - 510 the authority board, as defined in Section 63H-1-102.

511 (20) "Guaranty fund" means the fund established by a local entity under Section  
512 11-42-701.

513 (21) "Improved property" means property proposed to be assessed within an  
514 assessment area upon which a residential, commercial, or other building has been built.

515 (22) "Improvement" means any publicly owned infrastructure, system, or other facility  
516 that:

- 517 (a) a local entity is authorized to provide; or
- 518 (b) the governing body of a local entity determines is necessary or convenient to enable  
519 the local entity to provide a service that the local entity is authorized to provide.

520 (23) "Improvement revenues":

- 521 (a) means charges, fees, impact fees, or other revenues that a local entity receives from

522 improvements; and

523 (b) does not include revenue from assessments.

524 (24) "Incidental refunding costs" means any costs of issuing refunding assessment  
525 bonds and calling, retiring, or paying prior bonds, including:

526 (a) legal and accounting fees;

527 (b) charges of fiscal agents, escrow agents, and trustees;

528 (c) underwriting discount costs, printing costs, the costs of giving notice;

529 (d) any premium necessary in the calling or retiring of prior bonds;

530 (e) fees to be paid to the local entity to issue the refunding assessment bonds and to  
531 refund the outstanding prior bonds;

532 (f) any other costs that the governing body determines are necessary or desirable to  
533 incur in connection with the issuance of refunding assessment bonds; and

534 (g) any interest on the prior bonds that is required to be paid in connection with the  
535 issuance of the refunding assessment bonds.

536 (25) "Installment payment date" means the date on which an installment payment of an  
537 assessment is payable.

538 (26) "Interim warrant" means a warrant issued by a local entity under Section  
539 11-42-601.

540 (27) "Jurisdictional boundaries" means:

541 (a) for a county, the boundaries of the unincorporated area of the county; and

542 (b) for each other local entity, the boundaries of the local entity.

543 (28) "Local district" means a local district under Title 17B, Limited Purpose Local  
544 Government Entities - Local Districts.

545 (29) "Local entity" means a county, city, town, special service district, [or] local  
546 district, or military installation development authority created in Section 63H-1-201.

547 (30) "Local entity obligations" means assessment bonds, refunding assessment bonds,  
548 interim warrants, and bond anticipation notes issued by a local entity.

549 (31) "Mailing address" means:

550 (a) a property owner's last-known address using the name and address appearing on the  
551 last completed real property assessment roll of the county in which the property is located; and

552 (b) if the property is improved property:

553 (i) the property's street number; or  
554 (ii) the post office box, rural route number, or other mailing address of the property, if  
555 a street number has not been assigned.

556 (32) "Net improvement revenues" means all improvement revenues that a local entity  
557 has received since the last installment payment date, less all amounts payable by the local entity  
558 from those improvement revenues for operation and maintenance costs.

559 (33) "Operation and maintenance costs" means the costs that a local entity incurs in  
560 operating and maintaining improvements in an assessment area, including service charges,  
561 administrative costs, ongoing maintenance charges, and tariffs or other charges for electrical,  
562 water, gas, or other utility usage.

563 (34) "Optional facilities":

564 (a) means facilities in an assessment area that:

565 (i) can be conveniently installed at the same time as improvements in the assessment  
566 area; and

567 (ii) are requested by a property owner on whose property or for whose benefit the  
568 improvements are being installed; and

569 (b) includes private driveways, irrigation ditches, and water turnouts.

570 (35) "Overhead costs" means the actual costs incurred or the estimated costs to be  
571 incurred by a local entity in connection with an assessment area for appraisals, legal fees, filing  
572 fees, financial advisory charges, underwriting fees, placement fees, escrow, trustee, and paying  
573 agent fees, publishing and mailing costs, costs of levying an assessment, recording costs, and  
574 all other incidental costs.

575 (36) "Prior bonds" means the assessment bonds that are refunded in part or in whole by  
576 refunding assessment bonds.

577 (37) "Prior assessment ordinance" means the ordinance levying the assessments from  
578 which the prior bonds are payable.

579 (38) "Prior assessment resolution" means the resolution levying the assessments from  
580 which the prior bonds are payable.

581 (39) "Project engineer" means the surveyor or engineer employed by or private  
582 consulting engineer engaged by a local entity to perform the necessary engineering services for  
583 and to supervise the construction or installation of the improvements.

584 (40) "Property" includes real property and any interest in real property, including water  
585 rights, leasehold rights, and personal property related to the property.

586 (41) "Property price" means the price at which a local entity purchases or acquires by  
587 eminent domain property to make improvements in an assessment area.

588 (42) "Provide" or "providing," with reference to an improvement, includes the  
589 acquisition, construction, reconstruction, renovation, maintenance, repair, operation, and  
590 expansion of an improvement.

591 (43) "Public agency" means:

592 (a) the state or any agency, department, or division of the state; and

593 (b) a political subdivision of the state.

594 (44) "Reduced payment obligation" means the full obligation of an owner of property  
595 within an assessment area to pay an assessment levied on the property after the assessment has  
596 been reduced because of the issuance of refunding assessment bonds, as provided in Section  
597 11-42-608.

598 (45) "Refunding assessment bonds" means assessment bonds that a local entity issues  
599 under Section 11-42-607 to refund, in part or in whole, assessment bonds.

600 (46) "Reserve fund" means a fund established by a local entity under Section  
601 11-42-702.

602 (47) "Service" means water, sewer, garbage collection, library, recreation, or electric  
603 service, economic promotion activities, or any other service that a local entity is required or  
604 authorized to provide.

605 (48) "Special service district" has the same meaning as defined in Section 17D-1-102.

606 (49) "Unimproved property" means property upon which no residential, commercial, or  
607 other building has been built.

608 (50) "Voluntary assessment area" means an assessment area that contains only property  
609 whose owners have voluntarily consented to an assessment.

610 Section 8. Section **17B-1-104** is amended to read:

611 **17B-1-104. Property owner provisions.**

612 (1) For purposes of this title:

613 (a) the owner of real property shall be:

614 (i) except as provided in Subsection (1)(a)(ii), the fee title owner according to the

615 records of the county recorder on the date of the filing of the request or petition; ~~and~~ or  
616 (ii) for a proposed annexation under Part 4, Annexation, the lessee of military land, as  
617 defined in Section 63H-1-102, if the area proposed for annexation includes military land that is  
618 within a project area described in a project area plan adopted by the military installation  
619 development authority under Title 63H, Chapter 1, Military Installation Development  
620 Authority Act; and

621 (b) the value of private real property shall be determined according to the last  
622 assessment before the filing of the request or petition, as determined by:

623 (i) the county under Title 59, Chapter 2, Part 3, County Assessment, for property  
624 subject to assessment by the county;

625 (ii) the State Tax Commission under Title 59, Chapter 2, Part 2, Assessment of  
626 Property, for property subject to assessment by the State Tax Commission; or

627 (iii) the county, for all other property.

628 (2) For purposes of each provision of this title that requires the owners of private real  
629 property covering a percentage of the total private land area within the proposed local district  
630 to sign a request, petition, or protest:

631 (a) a parcel of real property may not be included in the calculation of the required  
632 percentage unless the request or petition is signed by:

633 (i) except as provided in Subsection (2)(a)(ii), owners representing a majority  
634 ownership interest in that parcel; or

635 (ii) if the parcel is owned by joint tenants or tenants by the entirety, 50% of the number  
636 of owners of that parcel;

637 (b) the signature of a person signing a request or petition in a representative capacity on  
638 behalf of an owner is invalid unless:

639 (i) the person's representative capacity and the name of the owner the person represents  
640 are indicated on the request or petition with the person's signature; and

641 (ii) the person provides documentation accompanying the request or petition that  
642 reasonably substantiates the person's representative capacity; and

643 (c) subject to Subsection (2)(b), a duly appointed personal representative may sign a  
644 request or petition on behalf of a deceased owner.

645 Section 9. Section **17B-1-402** is amended to read:

646 **17B-1-402. Annexation of area outside local district.**

647 (1) An area outside the boundaries of a local district may be annexed to the local  
648 district, as provided in this part, in order to provide to the area a service that the local district  
649 provides.

650 (2) The area proposed to be annexed:

651 (a) may consist of one or more noncontiguous areas; and

652 (b) need not be adjacent to the boundaries of the proposed annexing local district.

653 (3) With respect to a local district in the creation of which an election was not required  
654 under Subsection 17B-1-214(3)(c):

655 (a) an unincorporated area of a county may not be annexed to the local district unless,  
656 after annexation, at least a majority of the unincorporated area of the county will be included in  
657 the local district; and

658 (b) the annexation of any part of an area within a municipality shall include all of the  
659 area within the municipality.

660 (4) A local district may not annex an area located within a project area described in a  
661 project area plan adopted by the military installation development authority under Title 63H,  
662 Chapter 1, Military Installation Development Authority Act, without the authority's approval.

663 Section 10. Section **17D-1-104** is amended to read:

664 **17D-1-104. Property owner provisions -- Determination of registered voters.**

665 (1) For purposes of this chapter:

666 (a) the owner of real property is:

667 (i) except as provided in Subsection (1)(a)(ii), the fee title owner according to the  
668 records of the county recorder on the date of the filing of the petition or protest; [and] or

669 (ii) for a proposed annexation or addition of a new service under Part 4, Annexing a  
670 New Area and Adding a New Service, the lessee of military land, as defined in Section  
671 63H-1-102, if the area proposed to be annexed or within which a new service is proposed to be  
672 added includes military land that is within a project area described in a project area plan  
673 adopted by the military installation development authority under Title 63H, Chapter 1, Military  
674 Installation Development Authority Act; and

675 (b) the value of private real property is determined according to the last assessment  
676 before the filing of the petition or protest, as determined by:

677 (i) (A) the county under Title 59, Chapter 2, Part 3, County Assessment, for property  
678 subject to assessment by the county; or

679 (B) the State Tax Commission under Title 59, Chapter 2, Part 2, Assessment of  
680 Property, for property subject to assessment by the State Tax Commission; and

681 (ii) the county, for all other property.

682 (2) For purposes of each provision of this chapter that requires the owners of private  
683 real property covering a percentage of the total private land area within the applicable area to  
684 sign a petition or protest:

685 (a) a parcel of real property may not be included in the calculation of the required  
686 percentage unless the petition or protest is signed by:

687 (i) except as provided in Subsection (2)(a)(ii), owners representing a majority  
688 ownership interest in that parcel; or

689 (ii) if the parcel is owned by joint tenants or tenants by the entirety, 50% of the number  
690 of owners of that parcel;

691 (b) the signature of a person signing a petition or protest in a representative capacity on  
692 behalf of an owner is invalid unless:

693 (i) the person's representative capacity and the name of the owner the person represents  
694 are indicated on the petition or protest with the person's signature; and

695 (ii) the person provides documentation accompanying the petition or protest that  
696 reasonably substantiates the person's representative capacity; and

697 (c) subject to Subsection (2)(b), a duly appointed personal representative may sign a  
698 petition or protest on behalf of a deceased owner.

699 (3) For purposes of this chapter, registered voters shall be determined according to the  
700 official register.

701 Section 11. Section **17D-1-401** is amended to read:

702 **17D-1-401. Annexing an area or adding a service to an existing special service**  
703 **district.**

704 (1) Except as provided in Subsections (3) and (4), a county or municipal legislative  
705 body may, as provided in this part:

706 (a) annex an area to an existing special service district to provide to that area a service  
707 that the special service district is authorized to provide;

708 (b) add a service under Section 17D-1-201 within the area of an existing special service  
709 district that the special service district is not already authorized to provide; or

710 (c) both annex an area under Subsection (1)(a) and add a service under Subsection  
711 (1)(b).

712 (2) Except for Section 17D-1-209, the provisions of Part 2, Creating a Special Service  
713 District, apply to and govern the process of annexing an area to an existing special service  
714 district or adding a service that the special service district is not already authorized to provide,  
715 to the same extent as if the annexation or addition were the creation of a special service district.

716 (3) A county or municipal legislative body may not:

717 (a) annex an area to an existing special service district if a local district provides to that  
718 area the same service that the special service district is proposed to provide to the area, unless  
719 the local district consents to the annexation; or

720 (b) add a service within the area of an existing special service district if a local district  
721 provides to that area the same service that is proposed to be added, unless the local district  
722 consents to the addition.

723 (4) A county or municipal legislative body may not annex an area to an existing special  
724 service district or add a service within the area of an existing special service district if the  
725 creation of a special service district including that area or providing that service would not be  
726 allowed under Part 2, Creating a Special Service District.

727 (5) A county or municipal legislative body may not annex an area to an existing special  
728 service district or add a service within the area of an existing special service district if the area  
729 is located within a project area described in a project area plan adopted by the military  
730 installation development authority under Title 63H, Chapter 1, Military Installation  
731 Development Authority Act, unless the county or municipal legislative body has first obtained  
732 the authority's approval.

733 Section 12. Section **59-12-205** is amended to read:

734 **59-12-205. Ordinances to conform with statutory amendments -- Distribution of**  
735 **tax revenues -- Determination of population.**

736 (1) Each county, city, and town, in order to maintain in effect sales and use tax  
737 ordinances adopted pursuant to Section 59-12-204, shall, within 30 days of any amendment of  
738 any applicable provisions of Part 1, Tax Collection, adopt amendments of their respective sales

739 and use tax ordinances to conform with the amendments to Part 1, Tax Collection, insofar as  
740 they relate to sales and use taxes.

741 (2) Except as provided in Subsections (3) through (5):

742 (a) 50% of each dollar collected from the sales and use tax authorized by this part shall  
743 be paid to each county, city, and town on the basis of the percentage that the population of the  
744 county, city, or town bears to the total population of all counties, cities, and towns in the state;  
745 and

746 (b) (i) except as provided in Subsection (2)(b)(ii), 50% of each dollar collected from  
747 the sales and use tax authorized by this part shall be paid to each county, city, and town on the  
748 basis of the location where the transaction is consummated as determined under Sections  
749 59-12-211 through 59-12-214[-]; and

750 (ii) 50% of each dollar collected from the sales and use tax authorized by this part  
751 within a project area described in a project area plan adopted by the military installation  
752 development authority under Title 63H, Chapter 1, Military Installation Development  
753 Authority Act, shall be paid to the military installation development authority created in  
754 Section 63H-1-201.

755 (3) (a) For fiscal years beginning with fiscal year 1983-84 and ending with fiscal year  
756 2005-06, a county, city, or town may not receive a tax revenue distribution less than .75% of  
757 the taxable sales within the boundaries of the county, city, or town.

758 (b) The commission shall proportionally reduce monthly distributions to any county,  
759 city, or town that, but for the reduction, would receive a distribution in excess of 1% of the  
760 sales and use tax revenue collected within the boundaries of the county, city, or town.

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

762 (i) "Eligible county, city, or town" means a county, city, or town that receives \$2,000 or  
763 more in tax revenue distributions in accordance with Subsection (3) for each of the following  
764 fiscal years:

765 (A) fiscal year 2002-03;

766 (B) fiscal year 2003-04; and

767 (C) fiscal year 2004-05.

768 (ii) "Minimum tax revenue distribution" means the greater of:

769 (A) the total amount of tax revenue distributions an eligible county, city, or town

770 receives from a tax imposed in accordance with this part for fiscal year 2000-01; or

771 (B) the total amount of tax revenue distributions an eligible county, city, or town  
772 receives from a tax imposed in accordance with this part for fiscal year 2004-05.

773 (b) (i) Notwithstanding Subsection (2) and except as provided in Subsection (4)(b)(ii),  
774 beginning with fiscal year 2006-07 and ending with fiscal year 2012-13, an eligible county,  
775 city, or town shall receive a tax revenue distribution for a tax imposed in accordance with this  
776 part equal to the greater of:

777 (A) the payment required by Subsection (2); or

778 (B) the minimum tax revenue distribution.

779 (ii) If the tax revenue distribution required by Subsection (4)(b)(i) for an eligible  
780 county, city, or town is equal to the amount described in Subsection (4)(b)(i)(A) for three  
781 consecutive fiscal years, for fiscal years beginning with the fiscal year immediately following  
782 that three consecutive fiscal year period, the eligible county, city, or town shall receive the tax  
783 revenue distribution equal to the payment required by Subsection (2).

784 (c) For a fiscal year beginning with fiscal year 2013-14 and ending with fiscal year  
785 2015-16, an eligible county, city, or town shall receive the minimum tax revenue distribution  
786 for that fiscal year if for fiscal year 2012-13 the payment required by Subsection (2) to that  
787 eligible county, city, or town is less than or equal to the product of:

788 (i) the minimum tax revenue distribution; and

789 (ii) .90.

790 (5) (a) Population figures for purposes of this section shall be based on the most recent  
791 official census or census estimate of the United States Census Bureau.

792 (b) If a needed population estimate is not available from the United States Census  
793 Bureau, population figures shall be derived from the estimate from the Utah Population  
794 Estimates Committee created by executive order of the governor.

795 (6) The population of a county for purposes of this section shall be determined solely  
796 from the unincorporated area of the county.

797 Section 13. Section **59-12-352** is amended to read:

798 **59-12-352. Transient room tax authority for municipalities and military**  
799 **installation development authority -- Purposes for which revenues may be used.**

800 (1) ~~[The]~~ (a) Except as provided in Subsection (5), the governing body of a

801 municipality may impose a tax of not to exceed 1% on charges for the accommodations and  
802 services described in Subsection 59-12-103(1)(i).

803 (b) Subject to Section 63H-1-203, the military installation development authority  
804 created in Section 63H-1-201 may impose a tax under this section for accommodations and  
805 services described in Subsection 59-12-103(1)(i) within a project area described in a project  
806 area plan adopted by the authority under Title 63H, Chapter 1, Military Installation  
807 Development Authority Act, as though the authority were a municipality.

808 (2) Subject to the limitations of Subsection (1), a governing body of a municipality  
809 may, by ordinance, increase or decrease the tax under this part.

810 (3) A governing body of a municipality shall regulate the tax under this part by  
811 ordinance.

812 (4) A municipality may use revenues generated by the tax under this part for general  
813 fund purposes.

814 (5) (a) A municipality may not impose a tax under this section for accommodations and  
815 services described in Subsection 59-12-103(1)(i) within a project area described in a project  
816 area plan adopted by the authority under Title 63H, Chapter 1, Military Installation  
817 Development Authority Act.

818 (b) Subsection (5)(a) does not apply to the military installation development authority's  
819 imposition of a tax under this section.

820 Section 14. Section **63H-1-102** is amended to read:

821 **63H-1-102. Definitions.**

822 As used in this chapter:

823 (1) "Authority" means the Military Installation Development Authority, created under  
824 Section 63H-1-201.

825 (2) "Average municipal tax rate" means:

826 (a) for a municipal energy tax:

827 (i) the average of all municipal energy tax rates of all included municipalities that levy  
828 a municipal energy tax; or

829 (ii) the average of all municipal energy tax rates of all municipalities within that county  
830 that levy a municipal energy tax if:

831 (A) no included municipality levies a municipal energy tax; or

832 (B) the project area is located entirely within the unincorporated portion of a county;

833 (b) for a telecommunications tax:

834 (i) the average of all telecommunications tax rates of all included municipalities that  
835 levy a telecommunications tax; or

836 (ii) the average of all municipal telecommunications tax rates of all municipalities  
837 within that county that levy a telecommunications tax if:

838 (A) no included municipality levies a telecommunications tax; or

839 (B) the project area is located entirely within the unincorporated portion of a county;

840 and

841 (c) for a transient room tax:

842 (i) the average of all transient room tax rates of all included municipalities that impose  
843 a transient room tax; or

844 (ii) the average of all transient room tax rates of all municipalities within that county  
845 that impose a transient room tax if:

846 (A) no included municipality imposes a transient room tax; or

847 (B) the project area is located entirely within the unincorporated portion of a county.

848 ~~[(2)]~~ (3) "Base taxable value" means the taxable value of the property within [a] any  
849 portion of the project area, as designated by board resolution, from which tax increment will be  
850 collected, as shown upon the assessment roll last equalized before the [effective date] year in  
851 which the authority issues a certificate of occupancy for a building within that portion of the  
852 project area [plan].

853 ~~[(3)]~~ (4) "Board" means the governing body of the authority created under Section  
854 63H-1-301.

855 (5) "Dedicated supplemental tax increment" means supplemental tax increment that  
856 results from a property tax levied by:

857 (a) a county, including any district the county has established under Subsection  
858 17-34-3(2) to levy a property tax under Title 17, Chapter 34, Municipal-Type Services to  
859 Unincorporated Areas; or

860 (b) an included municipality.

861 ~~[(4)]~~ (6) "Development project" means a project to develop military land.

862 (7) "Included municipality" means a municipality, some or all of which is included

863 within a project area.

864 ~~[(5)] (8) "Military land" means any land [owned by the federal government that is part~~  
865 ~~of an active or closed federal defense and military installation] or facility, including any leased~~  
866 ~~land or facility, that is part of a base, camp, post, station, yard, center, installation, or other~~  
867 ~~facility under the jurisdiction of the U.S. Department of Defense or the state.~~

868 (9) "Municipal energy tax" means a municipal energy sales and use tax under Title 10,  
869 Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act.

870 (10) "Municipal services revenue" means revenue that the authority:

871 (a) collects from the authority's:

872 (i) levy of a municipal energy tax;

873 (ii) levy of a telecommunications tax; and

874 (iii) imposition of a transient room tax;

875 (b) receives under Subsection 59-12-205(2)(b)(ii); and

876 (c) receives as dedicated supplemental tax increment.

877 (11) "Municipal tax" means a municipal energy tax, telecommunications tax, or  
878 transient room tax.

879 ~~[(6)] (12) "Project area" means the [geographic area] military land, whether consisting~~  
880 ~~of a single contiguous area or multiple noncontiguous areas, described in a project area plan or~~  
881 ~~draft project area plan where the development project set forth in the project area plan or draft~~  
882 ~~project area plan takes place or is proposed to take place.~~

883 ~~[(7)] (13) "Project area budget" means a multiyear projection of annual or cumulative~~  
884 ~~revenues and expenses and other fiscal matters pertaining to a project area that includes:~~

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

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

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

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

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

894 (f) if ~~[the area from which]~~ tax increment is to be collected ~~[is less than the entire]~~ at  
895 different times or from different portions of the project area, or both:

896 (i) ~~(A)~~ the tax identification numbers of the parcels from which tax increment will be  
897 collected; or

898 ~~[(it)]~~ (B) a legal description of the portion of the project area from which tax increment  
899 will be collected; and

900 (ii) an estimate of when other portions of the project area will become subject to tax  
901 increment collection; and

902 (g) for property that the ~~[agency]~~ authority owns or leases and expects to sell or  
903 sublease, the expected total cost of the property to the ~~[agency]~~ authority and the expected  
904 selling price or lease payments.

905 ~~[(8)]~~ (14) "Project area plan" means a written plan that, after its effective date, guides  
906 and controls the development within a project area.

907 ~~[(9)]~~ (15) "Property tax" includes privilege tax and each levy on an ad valorem basis on  
908 tangible or intangible personal or real property.

909 ~~[(10)]~~ (16) "Public entity" means:

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

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

913 ~~[(11)]~~ (17) "Publicly owned infrastructure and improvements" means water, sewer,  
914 storm drainage, electrical, telecommunications, and other similar systems and lines, streets,  
915 roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation facilities, and  
916 other buildings, facilities, infrastructure, and improvements benefitting the public and to be  
917 publicly owned or publicly maintained or operated.

918 ~~[(12) "Record property owner" or "record owner of property" means the owner of real~~  
919 ~~property as shown on the records of the recorder of the county in which the property is located~~  
920 ~~and includes a purchaser under a real estate contract if the contract is recorded in the office of~~  
921 ~~the recorder of the county in which the property is located or the purchaser gives written notice~~  
922 ~~of the real estate contract to the agency.]~~

923 (18) "Remaining municipal services revenue" means municipal service revenue that the  
924 authority has not spent during its fiscal year for municipal services as provided in Subsection

925 63H-1-503(1).

926 (19) "Supplemental tax increment" means tax increment remaining after the authority  
 927 is paid the tax increment it is entitled to receive under Subsection 63H-1-501(1).

928 ~~[(13)]~~ (20) "Taxable value" means the value of property as shown on the last equalized  
 929 assessment roll as certified by the county assessor.

930 ~~[(14)]~~ (21) "Tax increment" means the difference between:

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

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

936 ~~[(15)]~~ (22) "Taxing entity" means a public entity that levies a tax on property within a  
 937 [community] project area.

938 (23) "Telecommunications tax" means a telecommunications license tax under Title  
 939 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act.

940 (24) "Transient room tax" means a tax under Section 59-12-352.

941 Section 15. Section **63H-1-201** is amended to read:

942 **Part 2. Authority Creation and Powers**

943 **63H-1-201. Creation of military installation development authority -- Status and**  
 944 **powers of authority -- Limitation.**

945 (1) There is created a military installation development authority.

946 (2) The authority is:

947 (a) an independent, nonprofit, separate body corporate and politic, with perpetual  
 948 succession[-] and statewide jurisdiction, whose purpose is to facilitate the development of  
 949 military land in a project area;

950 (b) a political subdivision of the state; and

951 (c) a public corporation, as defined in Section 63E-1-102.

952 (3) The authority may:

953 (a) facilitate the development of military land within one or more project areas, as  
 954 provided in this chapter;

955 ~~[(a)]~~ (b) sue and be sued;

956           ~~[(b)]~~ (c) enter into contracts generally;

957           ~~[(e)]~~ (d) buy, obtain an option upon, or otherwise acquire any interest in real or  
958 personal property ~~[within the boundaries of a military installation];~~

959           (i) on military land; or

960           (ii) outside military land for publicly owned infrastructure and improvements, if the  
961 board considers the purchase, option, or other interest acquisition to be necessary for fulfilling  
962 the authority's development objectives;

963           ~~[(d)]~~ (e) sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in  
964 real or personal property;

965           ~~[(e)]~~ (f) enter into a lease agreement on real or personal property, either as lessee or  
966 lessor~~[-, within the boundaries of a military installation];~~

967           (i) on military land; or

968           (ii) outside military land, if the board considers the lease to be necessary for fulfilling  
969 the authority's development objectives;

970           ~~[(f)]~~ (g) provide for the development of military land under contracts with the federal  
971 government;

972           ~~[(g)]~~ (h) exercise powers and perform functions under a contract with the federal  
973 government, as authorized in that contract;

974           (i) exercise exclusive police power within a project area to the same extent as though  
975 the authority were a municipality, including the collection of regulatory fees;

976           ~~[(h)]~~ (j) receive tax increment and other taxes and fees as provided in this chapter;

977           ~~[(i)]~~ (k) accept financial or other assistance from any public or private source for the  
978 authority's activities, powers, and duties, and expend any funds so received for any of the  
979 purposes of this chapter;

980           ~~[(j)]~~ (l) borrow money or accept financial or other assistance from the federal  
981 government, a public entity, or any other source for any of the purposes of this chapter and  
982 comply with any conditions of the loan or assistance;

983           ~~[(k)]~~ (m) issue bonds to finance the undertaking of any development objectives of the  
984 authority, including bonds under Title 11, Chapter 17, Utah Industrial Facilities and  
985 Development Act, and bonds under Title 11, Chapter 42, Assessment Area Act;

986           ~~[(l)]~~ (n) hire employees, including contract employees;

987 ~~[(m)]~~ (o) transact other business and exercise all other powers provided for in this  
 988 chapter;

989 ~~[(n)]~~ (p) enter into a ~~[partnership]~~ development agreement with a developer of military  
 990 land; ~~[and]~~

991 ~~[(o)]~~ (q) enter into an agreement with a political subdivision of the state under which  
 992 the political subdivision provides one or more municipal services within a project area[-];

993 (r) enter into an agreement with a private contractor to provide one or more municipal  
 994 services within a project area; and

995 (s) exercise powers and perform functions that the authority is authorized by statute to  
 996 exercise or perform.

997 (4) The authority may not itself provide law enforcement service or fire protection  
 998 service within a project area but may enter into an agreement for one or both of those services,  
 999 as provided in Subsection (3)(q).

1000 Section 16. Section **63H-1-202**, which is renumbered from Section 63H-1-404 is  
 1001 renumbered and amended to read:

1002 ~~[63H-1-404].~~ **63H-1-202. Applicability of other law.**

1003 (1) The authority is not subject to:

1004 ~~[(1)]~~ (a) Title 10, Chapter 9a, Municipal Land Use, Development, and Management  
 1005 Act;

1006 ~~[(2)]~~ (b) Title 17, Chapter 27a, County Land Use, Development, and Management Act;

1007 ~~[or]~~

1008 ~~[(3) the land use]~~

1009 (c) any ordinances or regulations of a county or municipality[-], including those  
 1010 relating to land use, health, business license, or franchise; or

1011 (d) the jurisdiction of any local district under Title 17B, Limited Purpose Local  
 1012 Government Entities - Local Districts, or special service district under Title 17D, Chapter 1,  
 1013 Special Service District Act.

1014 (2) The authority is subject to and governed by Sections 63E-2-106, 63E-2-107,  
 1015 63E-2-108, 63E-2-109, 63E-2-110, and 63E-2-111, but is not otherwise subject to or governed  
 1016 by Title 63E, Independent Entities Code.

1017 Section 17. Section **63H-1-203** is enacted to read:

1018           **63H-1-203. Average municipal tax rate -- Exceeding the average municipal tax**  
1019 **rate.**

1020           (1) Except as provided in Subsection (2), the authority may not levy a municipal tax at  
1021 a rate that exceeds the average municipal tax rate.

1022           (2) The authority may levy a municipal tax at a rate that exceeds the average municipal  
1023 tax rate with the prior approval of:

1024           (a) the legislative body of each included municipality; and

1025           (b) the legislative body of each county in whose unincorporated area any of the taxing  
1026 area is located.

1027           Section 18. Section **63H-1-301** is amended to read:

1028           **63H-1-301. Authority board.**

1029           (1) The authority shall be governed by a board which shall manage and conduct the  
1030 business and affairs of the authority and shall determine all questions of authority policy.

1031           (2) All powers of the authority are exercised through the board.

1032           (3) The board may by resolution delegate powers to authority staff.

1033           Section 19. Section **63H-1-302** is amended to read:

1034           **63H-1-302. Number of board members -- Appointment.**

1035           (1) The authority's board shall consist of seven members.

1036           (2) Five members of the board shall be appointed by the governor as follows:

1037           (a) one member shall be appointed from recommendations from the Utah Defense  
1038 Alliance;

1039           (b) three members shall be appointed, each of whom is a mayor of a municipality  
1040 adjacent to [a] military [~~installation~~] land; and

1041           (c) one member shall be appointed from the Governor's Office of Economic  
1042 Development.

1043           (3) The president of the Senate and the speaker of the House of Representatives shall  
1044 each appoint one board member.

1045           (4) (a) Each vacancy shall be filled in the same manner under this section as the  
1046 appointment of the member whose vacancy is being filled.

1047           (b) Each person appointed to fill a vacancy shall serve the remaining unexpired term of  
1048 the member whose vacancy the person is filling.

1049 (c) If a mayor appointed under Subsection (2)(b) leaves office as mayor, a vacancy on  
1050 the board occurs and the governor shall appoint another mayor, as provided in Subsection  
1051 (2)(b), to fill the vacancy.

1052 (d) A member of the board appointed by the governor, president of the Senate, or  
1053 speaker of the House of Representatives serves at the pleasure of and may be removed and  
1054 replaced at any time, with or without cause, by the governor, president of the Senate, or speaker  
1055 of the House of Representatives, respectively.

1056 Section 20. Section **63H-1-303** is amended to read:

1057 **63H-1-303. Term of board members.**

1058 (1) The term of board members is four years, except that the term of the members of  
1059 the initial board shall be staggered so that the ~~[terms]~~ term of approximately half the board  
1060 members expires every two years.

1061 (2) Each board member shall serve until a successor is duly appointed and qualified.

1062 Section 21. Section **63H-1-401** is amended to read:

1063 **Part 4. Project Area Plan and Budget**

1064 **63H-1-401. Preparation of project area plan -- Required contents of project area**  
1065 **plan.**

1066 (1) (a) Before spending any funds in a project area or entering into any lease or  
1067 development agreement ~~[and subject to Section 63H-1-402]~~, the authority board shall ~~[prepare]~~  
1068 adopt a project area plan[-] as provided in this part.

1069 (b) In order to adopt a project area plan, the authority board shall:

1070 (i) prepare a draft project area plan;

1071 (ii) give notice as required under Subsection 63H-1-402(2);

1072 (iii) hold at least one public meeting, as required under Subsection 63H-1-402(1); and

1073 (iv) after holding at least one public meeting and subject to Subsection (1)(c), adopt the  
1074 draft project area plan as the project area plan.

1075 (c) Before adopting a draft project area plan as the project area plan, the authority  
1076 board may make modifications to the draft project area plan that the board considers necessary  
1077 or appropriate.

1078 (2) Each project area plan ~~[under Subsection (1)]~~ and draft project area plan shall  
1079 contain:

1080 (a) a legal description of the boundaries of the project area that is the subject of the  
1081 project area plan;

1082 (b) the authority's purposes and intent with respect to the project area; and

1083 (c) the board's findings and determination that:

1084 (i) there is a need to effectuate a public purpose;

1085 (ii) there is a public benefit to the proposed development project;

1086 (iii) it is economically sound and feasible to adopt and carry out the project area plan;

1087 and

1088 (iv) carrying out the project area plan will promote the public peace, health, safety, and  
1089 welfare of the community in which the project area is located.

1090 Section 22. Section **63H-1-402** is amended to read:

1091 **63H-1-402. Public meeting to discuss preparation of project area plan -- Notice.**

1092 (1) The authority board shall hold at least one public meeting to consider and discuss  
1093 the [~~preparation of the~~] draft project area plan.

1094 (2) [~~The~~] At least ten days before holding a public meeting under Subsection (1), the  
1095 authority board shall give notice of [~~each~~] the public meeting [~~under Subsection (1)]~~ to  
1096 [~~affected~~] taxing entities.

1097 (3) [~~Upon completion~~] Following consideration and discussion of the project area plan,  
1098 the board [~~shall provide notice of the time and place of the meeting at which it will consider~~  
1099 ~~adoption of the plan~~] may adopt the draft project area plan as the project area plan.

1100 Section 23. Section **63H-1-403** is amended to read:

1101 **63H-1-403. Notice of project area plan adoption -- Effective date of plan --**  
1102 **Contesting the formation of the plan.**

1103 (1) (a) Upon the board's adoption of a project area plan, the board shall provide notice  
1104 as provided in Subsection (1)(b) by:

1105 (i) publishing or causing to be published a notice in a newspaper of general circulation  
1106 within the authority's boundaries; or

1107 (ii) if there is no newspaper of general circulation within the authority's boundaries,  
1108 causing a notice to be posted in at least three public places within the authority's boundaries.

1109 (b) Each notice under Subsection (1)(a) shall:

1110 (i) set forth the board resolution adopting the project area plan or a summary of the

1111 resolution; and

1112 (ii) include a statement that the project area plan is available for general public  
1113 inspection and the hours for inspection.

1114 (2) The project area plan shall become effective on the date of:

1115 (a) if notice was published under Subsection (1)(a), publication of the notice; or

1116 (b) if notice was posted under Subsection (1)(a), posting of the notice.

1117 (3) The authority shall make the adopted project area plan available to the general  
1118 public at its offices during normal business hours.

1119 (4) Within ten days after adopting a project area plan that establishes a project area, or  
1120 after adopting an amendment to a project area plan under which the boundary of a project area  
1121 is modified, the authority shall send notice of the establishment or modification of the project  
1122 area and an accurate map or plat of the project area to:

1123 (a) the State Tax Commission;

1124 (b) the Automated Geographic Reference Center created in Section 63F-1-506; and

1125 (c) the assessor and recorder of each county in which the project area is located.

1126 Section 24. Section **63H-1-405** is enacted to read:

1127 **63H-1-405. Project area budget.**

1128 (1) Before the authority may receive or use tax increment, the authority board shall  
1129 prepare and adopt a project area budget.

1130 (2) The authority board may amend an adopted project area budget as and when the  
1131 authority board considers it appropriate.

1132 Section 25. Section **63H-1-501** is amended to read:

1133 **63H-1-501. Authority receipt and use of tax increment -- Distribution of tax**  
1134 **increment.**

1135 (1) The authority may receive and use up to 75% of tax increment for up to 25 years, as  
1136 provided in this part.

1137 (2) Improvements on a parcel within a project area become subject to property tax in  
1138 the year during which the authority issues a certificate of occupancy with respect to those  
1139 improvements.

1140 [~~2~~] (3) Each county that collects property tax on property within a project area shall  
1141 pay and distribute to the [agency] authority the tax increment and dedicated supplemental tax

1142 increment that the [agency] authority is entitled to collect under this title, in the manner and at  
1143 the time provided in Section 59-2-1365.

1144 Section 26. Section **63H-1-502** is amended to read:

1145 **63H-1-502. Allowable uses of tax increment and other funds.**

1146 (1) The authority may use tax increment and other funds available to the authority,  
1147 other than municipal services revenue:

1148 (a) for any of the purposes for which the use of tax increment is authorized under this  
1149 chapter;

1150 (b) for administrative, overhead, legal, and other operating expenses of the authority;

1151 (c) to pay for, including financing or refinancing, all or part of the development of  
1152 military land within the project area from which the tax increment funds were collected;

1153 (d) to pay the cost of the installation and construction of any publicly owned [~~building,~~  
1154 ~~facility, structure, landscaping, or other improvement~~] infrastructure and improvements within  
1155 the project area from which the tax increment funds were collected;

1156 (e) to pay the cost of the installation of publicly owned infrastructure and  
1157 improvements outside the project area from which the tax increment funds were collected if the  
1158 authority board determines by resolution that the infrastructure and improvements are of  
1159 benefit to the project area; and

1160 (f) to pay the principal of and interest on bonds issued by the authority.

1161 (2) The determination of the authority board under Subsection (1)(e) regarding benefit  
1162 to the project area shall be final and conclusive.

1163 Section 27. Section **63H-1-503** is enacted to read:

1164 **63H-1-503. Use of municipal services revenue.**

1165 (1) The authority may use municipal services revenue to pay for:

1166 (a) administrative, overhead, legal, and other operating expenses of the authority; and

1167 (b) municipal services within the project area from which the revenue was collected.

1168 (2) Unless otherwise provided by agreement between the authority and each county and  
1169 municipality levying a property tax on property within a project area, the authority shall  
1170 distribute any remaining municipal services revenue equally among all counties and  
1171 municipalities that levy a property tax on property within a project area.

1172 Section 28. Section **63H-1-706** is enacted to read:

1173 **63H-1-706. Authority chief financial officer is a public treasurer -- Certain**  
1174 **authority funds are public funds.**

1175 (1) The authority's chief financial officer:

1176 (a) is a public treasurer, as defined in Section 51-7-3; and

1177 (b) shall invest the authority funds specified in Subsection (2) as provided in that  
1178 subsection.

1179 (2) Notwithstanding Subsection 63E-2-110(2)(a), tax increment funds, municipal  
1180 services revenue, and appropriations that the authority receives from the state:

1181 (a) are public funds; and

1182 (b) shall be invested as provided in Title 51, Chapter 7, State Money Management Act.

1183 Section 29. Section **63H-1-801** is amended to read:

1184 **63H-1-801. Dissolution of authority -- Restrictions -- Filing copy of ordinance --**  
1185 **Authority records -- Dissolution expenses.**

1186 (1) The authority may not be dissolved unless the authority has no outstanding bonded  
1187 indebtedness, other unpaid loans, indebtedness, or advances, and no legally binding contractual  
1188 obligations with persons or entities other than the state.

1189 (2) Upon the dissolution of the authority[;]:

1190 (a) the Governor's Office of Economic Development shall publish a notice of  
1191 dissolution in a newspaper of general circulation in the county in which the dissolved authority  
1192 is located[-]; and

1193 (b) all title to property owned by the authority vests in the state.

1194 (3) The books, documents, records, papers, and seal of each dissolved authority shall  
1195 be deposited for safekeeping and reference with the state auditor.

1196 (4) The authority shall pay all expenses of the deactivation and dissolution.

1197 Section 30. **Effective date.**

1198 If approved by two-thirds of all the members elected to each house, this bill takes effect  
1199 upon approval by the governor, or the day following the constitutional time limit of Utah

1200 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,  
1201 the date of veto override.