

1 **REVISIONS TO MILITARY INSTALLATION**

2 **DEVELOPMENT AUTHORITY ACT**

3 2009 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Mark B. Madsen**

6 House Sponsor: Brad L. Dee

7

LONG TITLE

8 **General Description:**

9 This bill modifies the Military Installation Development Authority Act.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ modifies the definitions of "development project" and "project area";
- 13 ▶ modifies the authority of the military installation development authority;
- 14 ▶ provides that a project area may include specified private land, with the consent of
- 15 the land's owner; and
- 16 ▶ makes technical changes.

17 **Monies Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 This bill provides an immediate effective date.

21 **Utah Code Sections Affected:**

22 **AMENDS:**

23 **63H-1-102**, as enacted by Laws of Utah 2007, Chapter 23

24 **63H-1-201**, as last amended by Laws of Utah 2008, Chapter 120

25 **63H-1-401**, as enacted by Laws of Utah 2007, Chapter 23



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

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

30 **63H-1-102. Definitions.**

31 As used in this chapter:

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

34 (2) "Base taxable value" means the taxable value of the property within a project area
35 from which tax increment will be collected, as shown upon the assessment roll last equalized
36 before the effective date of the project area plan.

37 (3) "Board" means the governing body of the authority created under Section
38 63H-1-301.

39 (4) "Development project" means a project to develop [~~military~~] land within a project
40 area.

41 (5) "Military land" means land owned by the federal government that is part of an
42 active or closed federal defense and military installation.

43 (6) "Project area" means the [~~geographic area~~] land, including military land, described
44 in a project area plan or draft project area plan where the development project set forth in the
45 project area plan or draft project area plan takes place or is proposed to take place.

46 (7) "Project area budget" means a multiyear projection of annual or cumulative
47 revenues and expenses and other fiscal matters pertaining to a project area that includes:

- 48 (a) the base taxable value of property in the project area;
- 49 (b) the projected tax increment expected to be generated within the project area;
- 50 (c) the amount of tax increment expected to be shared with other taxing entities;
- 51 (d) the amount of tax increment expected to be used to implement the project area plan,
52 including the estimated amount of tax increment to be used for land acquisition, public
53 improvements, infrastructure improvements, and loans, grants, or other incentives to private
54 and public entities;
- 55 (e) the tax increment expected to be used to cover the cost of administering the project
56 area plan;
- 57 (f) if the area from which tax increment is to be collected is less than the entire project
58 area:

59 (i) the tax identification numbers of the parcels from which tax increment will be
60 collected; or

61 (ii) a legal description of the portion of the project area from which tax increment will
62 be collected; and

63 (g) for property that the agency owns or leases and expects to sell or sublease, the
64 expected total cost of the property to the agency and the expected selling price or lease
65 payments.

66 (8) "Project area plan" means a written plan that, after its effective date, guides and
67 controls the development within a project area.

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

70 (10) "Public entity" means:

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

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

74 (11) "Publicly owned infrastructure and improvements" means water, sewer, storm
75 drainage, electrical, and other similar systems and lines, streets, roads, curb, gutter, sidewalk,
76 walkways, parking facilities, public transportation facilities, and other facilities, infrastructure,
77 and improvements benefitting the public and to be publicly owned or publicly maintained or
78 operated.

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

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

86 (14) "Tax increment" means the difference between:

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

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

92 (15) "Taxing entity" means a public entity that levies a tax on property within a
93 community.

94 Section 2. Section **63H-1-201** is amended to read:

95 **63H-1-201. Creation of Military Installation Development Authority -- Status**
96 **and powers of authority.**

97 (1) There is created a Military Installation Development Authority.

98 (2) The authority is an independent, nonprofit, separate body corporate and politic,
99 with perpetual succession.

100 (3) The authority may:

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

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

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

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

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

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

111 [~~(f)~~] (g) provide for the development of [~~military~~] land within a project area under one
112 or more contracts [~~with the federal government~~];

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

115 [~~(h)~~] (i) receive tax increment as provided in this chapter;

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

119 [~~(j)~~] (k) borrow money or accept financial or other assistance from the federal
120 government, a public entity, or any other source for any of the purposes of this chapter and

121 comply with any conditions of the loan or assistance;

122 ~~[(k)]~~ (l) issue bonds to finance the undertaking of any development objectives of the
123 authority;

124 ~~[(t)]~~ (m) hire employees, including contract employees;

125 ~~[(m)]~~ (n) transact other business and exercise all other powers provided for in this
126 chapter;

127 ~~[(n)]~~ (o) enter into a partnership agreement with a developer of ~~[military]~~ land within a
128 project area; and

129 ~~[(o)]~~ (p) enter into an agreement with a political subdivision of the state under which
130 the political subdivision provides one or more municipal services within a project area.

131 Section 3. Section **63H-1-401** is amended to read:

132 **63H-1-401. Preparation of project area plan -- Required contents of project area**
133 **plan.**

134 (1) Before spending any funds or entering into any lease or development agreement and
135 subject to Section 63H-1-402, the authority board shall prepare a project area plan.

136 (2) Each project area plan under Subsection (1) shall contain:

137 (a) a legal description of the ~~[boundaries]~~ boundary of the project area that is the
138 subject of the project area plan;

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

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

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

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

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

144 and

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

147 (3) (a) A project area described in a project area plan:

148 (i) shall include military land; and

149 (ii) may include private land if:

150 (A) the owner of the private land consents to the inclusion of the land within the
151 project area;

152 (B) subject to Subsection (3)(b), the private land included within the project area is
153 contiguous to the military land included within the project area;

154 (C) the total size of the project area does not exceed 100 acres; and

155 (D) the project area is located within a county of the third, fourth, fifth, or sixth class.

156 (b) Private land does not lose its contiguousness to military land because of the
157 presence of a road or right-of-way.

158 **Section 4. Effective date.**

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

Legislative Review Note
as of **2-25-09 6:16 AM**

Office of Legislative Research and General Counsel

S.B. 216 - Revisions to Military Installation Development Authority Act

Fiscal Note

2009 General Session

State of Utah

State Impact

Enactment of this bill may increase the diversion of sales tax revenue to the military development authority.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals or businesses. Local governments could see a shift in property tax revenues and a diversion of sales tax revenues.