

Inland Port Authority Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jerry W. Stevenson

House Sponsor: Jefferson Moss

LONG TITLE

General Description:

This bill modifies provisions related to the Utah Inland Port Authority.

Highlighted Provisions:

This bill:

- defines terms;
- provides that the Utah Inland Port Authority (authority) may facilitate and provide funding for the development of land in a project area, land related to land in a project area, and land adjacent to a project area, including:
 - the development of public infrastructure and improvements in a project area and directly adjacent to a project area; and
 - other infrastructure and improvements, including environmental sustainability projects, on or related to land in a project area;
- authorizes the authority to provide funding through grant or agreement to another governmental entity to help fulfill the authority's duties and responsibilities;
- provides that contaminated land or land within a remediation project area may be used for a distribution center if the contaminated land is owned by a private landowner;
- provides that the authority executive director may make policies to allow the authority to classify a business proposal submitted to the authority by a nongovernment party as protected under Section 63G-2-305, for as long as is necessary to evaluate the proposal and determine whether to proceed or not proceed;
- requires the Utah Inland Port Authority Board (board) to conduct a review of the authority's statutory authority at least annually and, if necessary, recommend statutory changes to the Legislature;
- modifies the structure of the board;

- provides that the authority may use funding to pay for all of or part of development of land within or adjacent to a project area;
- modifies the timeline for an optional extension of nonmunicipal differential payments and municipal deferential payments to the authority;
- provides that the authority may use primary municipality differential funds on environmental projects within or adjacent to authority jurisdictional land and economic development activities within or adjacent to authority jurisdictional land; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:**AMENDS:**

- 11-58-202**, as last amended by Laws of Utah 2022, Chapters 32, 82
- 11-58-205**, as last amended by Laws of Utah 2024, Chapters 438, 535
- 11-58-301**, as last amended by Laws of Utah 2020, Chapter 126
- 11-58-302**, as last amended by Laws of Utah 2023, Chapter 259
- 11-58-303**, as last amended by Laws of Utah 2023, Chapter 259
- 11-58-601**, as last amended by Laws of Utah 2023, Chapter 259
- 11-58-602**, as last amended by Laws of Utah 2024, Chapter 535
- 11-58-604**, as last amended by Laws of Utah 2023, Chapter 259
- 11-58-605**, as last amended by Laws of Utah 2024, Chapter 535

ENACTS:

- 11-58-209**, Utah Code Annotated 1953

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

Section 1. Section **11-58-202** is amended to read:

11-58-202 . Authority powers and duties.

- (1) The authority has exclusive jurisdiction, responsibility, and power to coordinate the efforts of all applicable state and local government entities, property owners and other private parties, and other stakeholders to:
 - (a) develop and implement a business plan for the authority jurisdictional land, to include an environmental sustainability component, developed in conjunction with

the ~~[Utah]~~ Department of Environmental Quality, incorporating policies and best practices to meet or exceed applicable federal and state standards, including:

- (i) emissions monitoring and reporting; and
- (ii) strategies that use ~~[the]~~ best available ~~[technology]~~ practices to mitigate environmental impacts resulting from development and uses on the authority jurisdictional land;
- (b) plan and facilitate the development of inland port uses on authority jurisdictional land and on land in other authority project areas;
- (c) manage any inland port located on land owned or leased by the authority; and
- (d) establish a foreign trade zone, as provided under federal law, covering some or all of the authority jurisdictional land or land in other authority project areas.

(2) The authority may:

- (a) facilitate and bring about the development of inland port uses on land that is part of the authority jurisdictional land or that is in other authority project areas, including engaging in marketing and business recruitment activities and efforts to encourage and facilitate:
 - (i) the development of an inland port on the authority jurisdictional land; and
 - (ii) other development of the authority jurisdictional land consistent with the policies and objectives described in Subsection 11-58-203(1);
- (b) facilitate and provide funding for the development of land in a project area, land related to land in a project area, and land adjacent to a project area, including:
 - (i) the development of public infrastructure and improvements in a project area and directly adjacent to a project area; and
 - (ii) other infrastructure and improvements, including environmental sustainability projects, on or related to land in a project area;
- (c) engage in marketing and business recruitment activities and efforts to encourage and facilitate development of the authority jurisdictional land;
- (d) apply for and take all other necessary actions for the establishment of a foreign trade zone, as provided under federal law, covering some or all of the authority jurisdictional land;
- (e) as the authority considers necessary or advisable to carry out any of ~~[its]~~ the authority's duties or responsibilities under this chapter:
 - (i) buy, obtain an option upon, or otherwise acquire any interest in real or personal property;

- (ii) sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in real or personal property;
- (iii) provide funding, through a grant or agreement, to another governmental entity for the governmental entity to help fulfill the authority's duties and responsibilities; or
- ~~[(iii)]~~ (iv) enter into a lease agreement on real or personal property, either as lessee or lessor;
- (f) sue and be sued;
- (g) enter into contracts generally;
- (h) provide funding for the development of public infrastructure and improvements or other infrastructure and improvements on or related to the authority jurisdictional land or other authority project areas;
- (i) exercise powers and perform functions under a contract, as authorized in the contract;
- (j) receive the property tax differential, as provided in this chapter;
- (k) accept financial or other assistance from any public or private source for the authority's activities, powers, and duties, and expend any funds so received for any of the purposes of this chapter;
- (l) borrow money, contract with, or accept financial or other assistance from the federal government, a public entity, or any other source for any of the purposes of this chapter and comply with any conditions of the loan, contract, or assistance;
- (m) issue bonds to finance the undertaking of any development objectives of the authority, including bonds under Chapter 17, Utah Industrial Facilities and Development Act, bonds under Chapter 42, Assessment Area Act, and bonds under Chapter 42a, Commercial Property Assessed Clean Energy Act;
- (n) hire employees, including contract employees;
- (o) transact other business and exercise all other powers provided for in this chapter;
- (p) engage one or more consultants to advise or assist the authority in the performance of the authority's duties and responsibilities;
- (q) work with other political subdivisions and neighboring property owners and communities to mitigate potential negative impacts from the development of authority jurisdictional land;
- (r) own, lease, operate, or otherwise control public infrastructure and improvements in a project area;
- (s) exercise powers and perform functions that the authority is authorized by statute to

- 130 exercise or perform;
- 131 (t) develop and implement world-class, state-of-the-art, zero-emissions logistics to:
- 132 (i) support continued growth of the state's economy;
- 133 (ii) promote the state as the global center of efficient and sustainable supply chain
- 134 logistics;
- 135 (iii) facilitate the efficient movement of goods on roads and rails and through the air;
- 136 and
- 137 (iv) benefit the commercial viability of tenants and users; and
- 138 (u) attract capital and expertise in pursuit of the next generation of logistics solutions.
- 139 (3)(a) Beginning April 1, 2020, the authority shall:
- 140 (i) be the repository of the official delineation of the boundary of the authority
- 141 jurisdictional land, identical to the boundary as delineated in the shapefile that is
- 142 the electronic component of H.B. 2001, Utah Inland Port Authority Amendments,
- 143 2018 Second Special Session, subject to Subsection (3)(b) and any later changes
- 144 to the boundary enacted by the Legislature; and
- 145 (ii) maintain an accurate digital file of the boundary that is easily accessible by the
- 146 public.
- 147 (b)(i) As used in this Subsection (3)(b), "split property" means a piece of land:
- 148 (A) with a single tax identification number; and
- 149 (B) that is partly included within and partly excluded from the authority
- 150 jurisdictional land by the boundary delineated in the shapefile described in
- 151 Subsection 11-58-102(2).
- 152 (ii) With the consent of the mayor of the municipality in which the split property is
- 153 located, the executive director may adjust the boundary of the authority
- 154 jurisdictional land to include an excluded portion of a split property or exclude an
- 155 included portion of a split property.
- 156 (iii) In adjusting the boundary under Subsection (3)(b)(ii), the executive director shall
- 157 consult with the county assessor, the county surveyor, the owner of the split
- 158 property, and the municipality in which the split property is located.
- 159 (iv) A boundary adjustment under this Subsection (3)(b) affecting the northwest
- 160 boundary of the authority jurisdictional land shall maintain the buffer area
- 161 between authority jurisdictional land intended for development and land outside
- 162 the boundary of the authority jurisdictional land to be preserved from
- 163 development.

(v) Upon completing boundary adjustments under this Subsection (3)(b), the executive director shall cause to be recorded in the county recorder's office a map or other description, sufficient for purposes of the county recorder, of the adjusted boundary of the authority jurisdictional land.

(vi) The authority shall modify the official delineation of the boundary of the authority jurisdictional land under Subsection (3)(a) to reflect a boundary adjustment under this Subsection (3)(b).

(4)(a) The authority may establish a community enhancement program designed to address the impacts that development or inland port uses within project areas have on adjacent communities.

(b)(i) The authority may use authority money to support the community enhancement program and to pay for efforts to address the impacts described in Subsection (4)(a).

(ii) Authority money designated for use under Subsection (4)(b)(i) is exempt from execution or any other process in the collection of a judgment against or debt or other obligation of the authority arising out of the authority's activities with respect to the community enhancement program.

Section 2. Section **11-58-205** is amended to read:

11-58-205 . Applicability of other law -- Cooperation of state and local governments -- Municipality to consider board input -- Prohibition relating to natural resources -- Inland port as permitted or conditional use -- Municipal services -- Disclosure by nonauthority governing body member -- Services from state agencies -- Procurement policy.

(1) Except as otherwise provided in this chapter, the authority does not have and may not exercise any powers relating to the regulation of land uses on the authority jurisdictional land.

(2)(a) [The] Except as provided in Subsection (2)(b), the authority is subject to and governed by Sections 63E-2-106, 63E-2-107, 63E-2-108, 63E-2-109, 63E-2-110, and 63E-2-111, but is not otherwise subject to or governed by Title 63E, Independent Entities Code.

(b) Notwithstanding Subsection 63E-2-109(2)(c), the executive director may make policies as approved by the board as described in Section 11-58-209.

(3) A department, division, or other agency of the state and a political subdivision of the state shall cooperate with the authority to the fullest extent possible to provide whatever

support, information, or other assistance the board requests that is reasonably necessary to help the authority fulfill its duties and responsibilities under this chapter.

(4) In making decisions affecting the authority jurisdictional land, the legislative body of a municipality in which the authority jurisdictional land is located shall consider input from the authority board.

(5)(a) No later than December 31, 2018, the ordinances of a municipality with authority jurisdictional land within its boundary shall allow an inland port as a permitted or conditional use, subject to standards that are:

(i) determined by the municipality; and

(ii) consistent with the policies and objectives stated in Subsection 11-58-203(1).

(b) A municipality whose ordinances do not comply with Subsection (5)(a) within the time prescribed in that subsection shall allow an inland port as a permitted use without regard to any contrary provision in the municipality's land use ordinances.

(6)(a) The transporting, unloading, loading, transfer, or temporary storage of natural resources may not be prohibited on the authority jurisdictional land.

(b) Notwithstanding a permitted or conditional use allowed under applicable municipal ordinances, contaminated land may not be used for a distribution center unless the contaminated land is owned by a private landowner.

(7)(a) A municipality whose boundary includes authority jurisdictional land shall provide the same municipal services to the area of the municipality that is within the authority jurisdictional land as the municipality provides to other areas of the municipality with similar zoning and a similar development level.

(b) The level and quality of municipal services that a municipality provides within authority jurisdictional land shall be fairly and reasonably consistent with the level and quality of municipal services that the municipality provides to other areas of the municipality with similar zoning and a similar development level.

(8)(a) As used in this Subsection (8):

(i) "Direct financial benefit" means the same as that term is defined in Section 11-58-304.

(ii) "Nonauthority governing body member" means a member of the board or other body that has authority to make decisions for a nonauthority government owner.

(iii) "Nonauthority government owner" mean a state agency or nonauthority local government entity that owns land that is part of the authority jurisdictional land.

(iv) "Nonauthority local government entity":

- 232 (A) means a county, city, town, special district, special service district, community
233 reinvestment agency, or other political subdivision of the state; and
- 234 (B) excludes the authority.
- 235 (v) "State agency" means a department, division, or other agency or instrumentality
236 of the state, including an independent state agency.
- 237 (b) A nonauthority governing body member who owns or has a financial interest in land
238 that is part of the authority jurisdictional land or who reasonably expects to receive a
239 direct financial benefit from development of authority jurisdictional land shall submit
240 a written disclosure to the authority board and the nonauthority government owner.
- 241 (c) A written disclosure under Subsection (8)(b) shall describe, as applicable:
- 242 (i) the nonauthority governing body member's ownership or financial interest in
243 property that is part of the authority jurisdictional land; and
- 244 (ii) the direct financial benefit the nonauthority governing body member expects to
245 receive from development of authority jurisdictional land.
- 246 (d) A nonauthority governing body member required under Subsection (8)(b) to submit a
247 written disclosure shall submit the disclosure no later than 30 days after:
- 248 (i) the nonauthority governing body member:
- 249 (A) acquires an ownership or financial interest in property that is part of the
250 authority jurisdictional land; or
- 251 (B) first knows that the nonauthority governing body member expects to receive a
252 direct financial benefit from the development of authority jurisdictional land; or
- 253 (ii) the effective date of this Subsection (8), if that date is later than the period
254 described in Subsection (8)(d)(i).
- 255 (e) A written disclosure submitted under this Subsection (8) is a public record.
- 256 (9)(a) The authority may request and, upon request, shall receive:
- 257 (i) fuel dispensing and motor pool services provided by the Division of Fleet
258 Operations;
- 259 (ii) surplus property services provided by the Division of Purchasing and General
260 Services;
- 261 (iii) information technology services provided by the Division of Technology
262 Services;
- 263 (iv) archive services provided by the Division of Archives and Records Service;
- 264 (v) financial services provided by the Division of Finance;
- 265 (vi) human resources services provided by the Division of Human Resource

- 266 Management;
- 267 (vii) legal services provided by the Office of the Attorney General; and
- 268 (viii) banking services provided by the Office of the State Treasurer.
- 269 (b) Nothing in Subsection (9)(a) may be construed to relieve the authority of the
- 270 obligation to pay the applicable fee for the service provided.
- 271 (10)(a) To govern authority procurements, the board shall adopt a procurement policy
- 272 that the board determines to be substantially consistent with applicable provisions of
- 273 Title 63G, Chapter 6a, Utah Procurement Code.
- 274 (b) The board may delegate to the executive director the responsibility to adopt a
- 275 procurement policy.
- 276 (c) The board's determination under Subsection (10)(a) of substantial consistency is final
- 277 and conclusive.

278 Section 3. Section **11-58-209** is enacted to read:

279 **11-58-209 . Evaluating business proposals.**

- 280 (1) The executive director may make policies as approved by the board that allow the
- 281 authority to classify a business proposal submitted to the authority by a
- 282 nongovernmental party as protected under Section 63G-2-305, for as long as is
- 283 necessary to evaluate the proposal and determine whether to proceed or not proceed.
- 284 (2) If, after evaluation of a business proposal, the authority determines not to proceed with
- 285 the business proposal, the authority:
- 286 (a) shall return the business proposal to the nongovernmental party that submitted the
- 287 business proposal; and
- 288 (b) incurs no duties or obligations under Title 63G, Chapter 2, Government Records
- 289 Access and Management Act, in regard to the business proposal.
- 290 (3) The authority shall classify the business proposal pursuant to Title 63G, Chapter 2,
- 291 Government Records Access and Management Act, if the authority proceeds with the
- 292 business proposal.
- 293 (4) Section 63G-2-403 does not apply in regard to the authority or a business proposal in
- 294 the possession of the authority during the evaluation period of the business proposal.
- 295 (5) Nothing in this section limits the ability of the authority to properly classify a record in
- 296 the authority's possession as protected pursuant to Section 63G-2-305.

297 Section 4. Section **11-58-301** is amended to read:

298 **11-58-301 . Port authority board -- Delegation of power.**

- 299 (1) The authority shall be governed by a board which:

(a) shall manage and conduct the business and affairs of the authority~~[-and]~~ ;

(b) shall determine all questions of authority policy~~[-]~~ ; and

(c) constitutes a mixed-function board.

(2) All powers of the authority are exercised through the board or, as provided in Section 11-58-305, the executive director.

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

(4) The board shall, at least annually:

(a) review the statutory authority of the authority, the board, and the executive director;

(b) evaluate whether the authority is achieving the objectives outlined in Section 11-58-203;

(c) determine whether changes to board rules, policies, or guidelines are advisable and, if so, modify the rule, policy, or guideline; and

(d) determine whether to recommend statutory changes to Chapter 58, Utah Inland Port Authority Act, to the Legislature.

Section 5. Section **11-58-302** is amended to read:

11-58-302 . Number of board members -- Appointment -- Vacancies.

(1) The authority's board shall consist of five voting members, as provided in Subsection (2).

(2)(a) The governor shall appoint as board members ~~[two]~~ three individuals who are not elected government officials:

(i) one of whom shall be an individual engaged in statewide economic development or corporate recruitment and retention;~~[-and]~~

(ii) one of whom shall be an individual engaged in statewide trade, import and export activities, foreign direct investment, or public-private partnerships~~[-]~~ ; and

(iii) one of whom shall be an individual with relevant business expertise.

(b) The president of the Senate shall appoint as a board member one individual with relevant business expertise.

(c) The speaker of the House of Representatives shall appoint as a board member one individual with relevant business expertise.

~~[(d) The president of the Senate and speaker of the House of Representatives shall jointly appoint as a board member one individual with relevant business expertise.]~~

(3)(a) The board shall include three nonvoting board members.

(b) The board shall appoint as nonvoting board members two individuals with expertise in transportation and logistics.

(c) One of the nonvoting board members shall be a member of the Salt Lake City

Council, designated by the Salt Lake City Council, who represents a council district whose boundary includes authority jurisdictional land.

(d) The board may set the term of office for nonvoting board members appointed under Subsection (3)(b).

(4) An individual required under Subsection (2) to appoint a board member shall appoint each initial board member the individual is required to appoint no later than ~~[June 1, 2022]~~ July 1, 2025.

(5)(a) A vacancy in the board shall be filled in the same manner under this section as the appointment of the member whose vacancy is being filled.

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

(6) A member of the board appointed under Subsection (2) serves at the pleasure of and may be removed and replaced at any time, with or without cause, by the individual or individuals who appointed the member.

(7) Upon a vote of a majority of all voting members, the board may appoint a board chair and any other officer of the board.

(8) The board may appoint one or more advisory committees that may include individuals from impacted public entities, community organizations, environmental organizations, business organizations, or other organizations or associations.

Section 6. Section **11-58-303** is amended to read:

11-58-303 . Term of board members -- Quorum -- Compensation.

(1) The term of a board member appointed under Subsection 11-58-302(2) is four years, except that the initial term of ~~[one]~~ two of the ~~[two]~~ three members appointed under Subsection 11-58-302(2)(a) ~~[and of the member appointed under Subsection 11-58-302(2)(d)]~~ is two years.

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

(3) A board member may serve multiple terms if duly appointed to serve each term under Subsection 11-58-302(2).

(4) A majority of voting members constitutes a quorum, and the action of a majority of voting members constitutes action of the board.

(5)(a) A board member who is not a legislator may not receive compensation or benefits for the member's service on the board, but may receive per diem and reimbursement for travel expenses incurred as a board member as allowed in:

(i) Sections 63A-3-106 and 63A-3-107; and

(ii) rules made by the Division of Finance according to Sections 63A-3-106 and 63A-3-107.

(b) Compensation and expenses of a board member who is a legislator are governed by Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3, Legislator Compensation.

Section 7. Section **11-58-601** is amended to read:

11-58-601 . General differential and nonmunicipal differential.

(1) As used in this section:

(a) "Designation resolution" means a resolution adopted by the board that designates a transition date and a trigger date, which may be the same date, for the parcel specified in the resolution.

(b) "Post-designation parcel" means a parcel within a project area after the transition date for that parcel.

(c) "Pre-designation parcel" means a parcel within a project area before the transition date for that parcel.

(d) "Transition date" means the date indicated in a designation resolution after which the parcel that is the subject of the designation resolution is a post-designation parcel.

(e) "Trigger date" means the date indicated in a designation resolution upon which tax differential payments due to the authority commence.

(2) This section applies to nonmunicipal differential and general differential to be paid to the authority.

(3) The authority shall be paid 75% of nonmunicipal differential generated from a pre-designation parcel that is part of the authority jurisdictional land:

(a) for the period beginning November 2019 and ending the earlier of:

(i) the transition date for that parcel; and

(ii) November 30, 2044; and

(b) for a period of up to 15 years following November 2044 if, before the end of November 2044:

(i) the parcel has not become a post-designation parcel; and

(ii) the board adopts a resolution approving the ~~[15-year]~~ extension.

(4)(a) As provided in Subsection (4)(b), the authority shall be paid:

(i) 75% of nonmunicipal differential generated from a post-designation parcel that is part of the authority jurisdictional land; and

(ii) 75% of general differential generated from a post-designation parcel that is not

- 402 part of the authority jurisdictional land.
- 403 (b) The property tax differential paid under Subsection (4)(a) from a post-designation
404 parcel shall be paid:
- 405 (i) for a period of 25 years beginning on the [~~transition~~] trigger date for that parcel;
406 and
- 407 (ii) for a period of up to an additional 15 years beyond the period stated in Subsection
408 (4)(b)(i) if the board determines by resolution that the additional years of
409 nonmunicipal differential or general differential, as the case may be, from that
410 parcel will produce a significant benefit.
- 411 (5)(a) For purposes of this section, the authority may designate an improved portion of a
412 parcel in a project area as a separate parcel.
- 413 (b) An authority designation of an improved portion of a parcel as a separate parcel
414 under Subsection (5)(a) does not constitute a subdivision, as defined in Section
415 10-9a-103 or Section 17-27a-103.
- 416 (c) A county recorder shall assign a separate tax identification number to the improved
417 portion of a parcel designated by the authority as a separate parcel under Subsection
418 (5)(a).
- 419 Section 8. Section **11-58-602** is amended to read:
- 420 **11-58-602 . Allowable uses of property tax differential and other funds.**
- 421 (1)(a) The authority may use money from property tax differential, money the authority
422 receives from the state, money the authority receives under Subsection 59-12-205
423 (2)(a)(ii)(C), and other money available to the authority:
- 424 (i) for any purpose authorized under this chapter;
- 425 (ii) for administrative, overhead, legal, consulting, and other operating expenses of
426 the authority;
- 427 (iii) to pay for, including financing or refinancing, all or part of the development of
428 land within or adjacent to a project area, including assisting the ongoing operation
429 of a development or facility within or adjacent to the project area;
- 430 (iv) to pay the cost of the installation and construction of public infrastructure and
431 improvements within the project area from which the property tax differential
432 funds were collected;
- 433 (v) to pay the cost of the installation of public infrastructure and improvements
434 outside a project area if the board determines by resolution that the infrastructure
435 and improvements are of benefit to the project area;

- (vi) to pay to a community reinvestment agency for affordable housing, as provided in Subsection 11-58-606(2);
- (vii) to pay the principal and interest on bonds issued by the authority;
- (viii) to pay the cost of acquiring ~~[a conservation]~~ land or an easement on land that is part of or adjacent to authority jurisdictional land:
- (A) for the perpetual preservation of the land from development; and
- (B) to provide a buffer area between authority jurisdictional land intended for development and land outside the boundary of the authority jurisdictional land; and
- (ix) subject to Subsection (1)(b), to encourage, incentivize, or require development that:
- (A) mitigates noise, air pollution, light pollution, surface and groundwater pollution, and other negative environmental impacts;
- (B) mitigates traffic congestion; or
- (C) uses high efficiency building construction and operation.
- (b)(i)(A) The authority shall establish minimum mitigation and environmental standards that a landowner is required to meet to qualify for the use of property tax differential under Subsection (1)(a)(ix) in the landowner's development.
- (B) Minimum mitigation and environmental standards established under Subsection (1)(b)(i)(A) shall include a standard prohibiting the use of property tax differential as a business recruitment incentive, as defined in Section 11-58-603, for new commercial or industrial development or an expansion of existing commercial or industrial development within the authority jurisdictional land if the new or expanded development will consume on an annual basis more than 200,000 gallons of potable water per day.
- (ii) In establishing minimum mitigation and environmental standards, the authority shall consult with:
- (A) the municipality in which the development is expected to occur, for development expected to occur within a municipality; or
- (B) the county in whose unincorporated area the development is expected to occur, for development expected to occur within the unincorporated area of a county.
- (iii) The authority may not use property tax differential under Subsection (1)(a)(viii) for a landowner's development in a project area unless the minimum mitigation

- 470 and environmental standards are followed with respect to that landowner's
471 development.
- 472 (2) The authority may use revenue generated from the operation of public infrastructure
473 operated by the authority or improvements, including an intermodal facility, operated by
474 the authority to:
- 475 (a) operate and maintain the infrastructure or improvements; and
476 (b) pay for authority operating expenses, including administrative, overhead, and legal
477 expenses.
- 478 (3) The determination of the board under Subsection (1)(a)(v) regarding benefit to the
479 project area is final.
- 480 (4) The authority may not use property tax differential revenue collected from one project
481 area for a development project within another project area.
- 482 (5) The authority may use up to 10% of the general differential revenue generated from a
483 project area to pay for affordable housing within or near the project area.
- 484 (6) The authority may share general differential funds with a taxing entity that levies a
485 property tax on land within the project area from which the general differential is
486 generated.
- 487 Section 9. Section **11-58-604** is amended to read:
- 488 **11-58-604 . Distribution and use of primary municipality differential.**
- 489 (1) This section applies to the payment and use of primary municipality differential.
- 490 (2) Beginning the first tax year that begins on or after January 1, 2023:
- 491 (a) the authority shall be paid 25% of primary municipality differential:
- 492 (i) for the authority's use as provided in Subsection (4); and
493 (ii)(A) for a period of 25 years beginning January 1, 2023; and
494 (B) for a period of time, not [exceeding] to exceed an additional 15 years beyond
495 the period stated in Subsection (2)(a)(ii)(A), if the board determines by
496 resolution, adopted before the expiration of the 25-year period under
497 Subsection (2)(a)(ii)(A), that the additional years will produce a significant
498 benefit to the uses described in Subsection (4) and if the primary municipality
499 and the authority agree to the additional period of time;
- 500 (b) the authority shall be paid, in addition to the amounts under Subsection (2)(a), a
501 percentage, as defined in Subsection (3), of primary municipality differential for the
502 authority's use as provided in Subsection (4); and
503 (c) the primary municipality shall be paid, for the primary municipality's use for

municipal operations, all primary municipality differential remaining after the payment of primary municipality differential to the authority as required under Subsections (2)(a) and (b).

(3) The percentage of primary municipality differential paid to the authority as provided in Subsection (2)(b):

- (a) shall be 40% for the first tax year that begins on or after January 1, 2023, decreasing 2% each year after the 2023 tax year, so that in 2029 the percentage is 28;
- (b) beginning January 1, 2030, and for a period of seven years, shall be 10%;
- (c) beginning January 1, 2037, and for a period of 11 years, shall be 8%; and
- (d) after 2047, shall be 0%.

(4) Of the primary municipality differential the authority receives, the authority shall use:

(a) 40% for environmental mitigation projects within:

(i) the authority jurisdictional land; and

(ii) adjacent land to the authority jurisdictional land if the adjacent land is within the municipality from which the primary municipality differential was generated;

(b) 40% for mitigation projects, which may include a regional traffic study and an environmental impact mitigation analysis, for communities that are:

(i) within the primary municipality;

(ii) adjacent to the authority jurisdictional land; and

(iii) west of the east boundary of the right of way of a fixed guideway used, as of January 1, 2022, for commuter rail within the primary municipality; and

(c) 20% for economic development activities ~~[on]~~ within:

(i) the authority jurisdictional land~~[-]~~ ; and

(ii) adjacent land to the authority jurisdictional land if the adjacent land is within the municipality from which the primary municipality differential was generated.

Section 10. Section **11-58-605** is amended to read:

11-58-605 . Creation of remediation project area and payment of remediation differential.

(1) As used in this section:

(a) "Remedial action plan" means a plan for the cleanup of contaminated land under a voluntary cleanup agreement under Title 19, Chapter 8, Voluntary Cleanup Program.

(b) "Subsidiary district" means a public infrastructure district that is a subsidiary of the authority.

(2) This section applies to a remediation project area and to remediation differential.

- (3)(a) The authority may adopt a resolution creating a remediation project area[-].
- (b) Land within a remediation project area may not be used for a distribution center unless the land within the remediation project area is owned by a private landowner.
- (4) If the authority adopts a resolution creating a remediation project area, the authority shall reconfigure the boundary of the project area that consists of the authority jurisdictional land to exclude the remediation project area.
- (5) The authority may pay the costs of a remediation project from funds available to the authority, including funds of a subsidiary district.
- (6)(a) If the authority pays some or all the costs of a remediation project, the authority shall be paid 100% of the remediation differential, subject to Subsection (6)(b), until the authority is fully reimbursed for the costs the authority paid for the remediation project.
- (b)(i) Subject to Subsection (6)(b)(iii), the authority's use of remediation differential paid to the authority under Subsection (6)(a) is subject to any bonds of a subsidiary district issued before May 3, 2023, pledging property tax differential funds generated from the contaminated land.
- (ii) Before using remediation differential to pay subsidiary district bonds described in Subsection (6)(b)(i), the authority shall use other funds available to the authority to pay the bonds.
- (iii) A pledge of property tax differential under subsidiary district bonds issued before May 3, 2023, may be satisfied if:
- (A) the authority or the subsidiary district pledges additional property tax differential, other than remediation differential, or other authority or subsidiary district funds to offset any decrease in property tax differential resulting from the payment under Subsection (6)(a) of remediation differential funds that would otherwise have been available to pay the subsidiary district bonds; and
- (B) the pledge described in Subsection (6)(b)(iii)(A) is senior in right to any pledge of remediation differential for a commitment the authority makes in connection with a remediation project.
- (7) If a remediation project is conducted pursuant to a remedial action plan, the use of the land that is the subject of the remediation project shall be consistent with the remedial action plan unless the change of use:
- (a) occurs after the government owner, as defined in Subsection 63G-7-201(3)(b), is environmentally compliant, as defined in Subsection 63G-7-201(3)(b), with respect

to the land that is the subject of the remediation project; and

(b) is approved by the board following a public hearing on the proposed change of use.

(8)(a) Upon the authority receiving full reimbursement for the authority's payment of costs for a remediation project, the remediation project area is automatically and immediately dissolved and the land within the remediation project area automatically and immediately becomes part of the project area consisting of the authority jurisdictional land.

(b) The board shall take any action necessary to effectuate and reflect in authority project area records and any other applicable records the reincorporation of the remediation project area under Subsection (8)(a) into the project area consisting of the authority jurisdictional land.

Section 11. Effective Date.

This bill takes effect:

(1) except as provided in Subsection (2), May 7, 2025; or

(2) if approved by two-thirds of all members elected to each house:

(a) upon approval by the governor;

(b) without the governor's signature, the day following the constitutional time limit of Utah Constitution, Article VII, Section 8; or

(c) in the case of a veto, the date of veto override.