

**Community Development Amendments**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

House Sponsor: Trevor Lee

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**LONG TITLE**

**General Description:**

This bill addresses community reinvestment agencies.

**Highlighted Provisions:**

This bill:

- defines terms;
- requires a county auditor to:
  - submit annual project area and tax increment data to the Governor's Office of Economic Opportunity; and
  - notify taxing entities of the end of a project area funds collection period and the calculation of new growth attributed to the project area;
- clarifies that an agency that has funds withheld due to non-compliance with reporting requirements will receive those withheld funds once the agency complies with reporting requirements; and
- makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**17C-1-603**, as last amended by Laws of Utah 2024, Chapter 316

**17C-1-606**, as last amended by Laws of Utah 2016, Chapter 350

**17C-1-607**, as last amended by Laws of Utah 2016, Chapter 350

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

Section 1. Section **17C-1-603** is amended to read:

**17C-1-603 . Reporting requirements -- Governor's Office of Economic Opportunity to maintain a database.**

(1) As used in this section:

(a) "Database" means the collection of electronic data described in Subsection (2)(a).

(b) "Office" means the Governor's Office of Economic Opportunity.

(c) "Office website" means a public website maintained by the office.

(2) The office shall:

(a) create and maintain electronic data to track information for each agency located within the state; and

(b) make the database publicly accessible from the office website.

(3)(a) The office may:

(i) contract with a third party to create and maintain the database; and

(ii) charge a fee for a county, city, or agency to provide information to the database.

(b) The office shall make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to establish a fee schedule for the fee described in Subsection (3)(a)(ii).

(4) On or before June 30 of each year, an agency shall, for each active project area for which the project area funds collection period has not expired, submit to the office for inclusion in the database the following information:

(a) an assessment of the change in marginal value, including:

(i) the base year;

~~[(ii) the base taxable value;]~~

~~[(iii) the prior year's assessed value;]~~

~~[(iv)]~~ (ii) the estimated current assessed value;

~~[(v)]~~ (iii) the percentage change in marginal value; and

~~[(vi)]~~ (iv) a narrative description of the relative growth in assessed value;

(b) the amount of project area funds the agency received and the amount of project area funds the agency spent for each year of the project area funds collection period, broken down by the applicable budget or funds analysis category described in Subsection (4)(d), including:

(i) a comparison of the actual project area funds received and spent for each year to the amount of project area funds forecasted for each year when the project area

- 62 was created, if available;
- 63 (ii)(A) the agency's historical receipts and expenditures of project area funds,
- 64 including the tax year for which the agency first received project area funds
- 65 from the project area; or
- 66 (B) if the agency has not yet received project area funds from the project area, the
- 67 year in which the agency expects each project area funds collection period to
- 68 begin;
- 69 (iii) a list of each taxing entity that levies or imposes a tax within the project area and
- 70 a description of the benefits that each taxing entity receives from the project area;
- 71 and
- 72 (iv) the amount paid to other taxing entities under Section 17C-1-410, if applicable;
- 73 (c) a description of current and anticipated project area development, including:
- 74 (i) a narrative of any significant project area development, including infrastructure
- 75 development, site development, participation agreements, or vertical construction;
- 76 and
- 77 (ii) other details of development within the project area, including:
- 78 (A) the total developed acreage;
- 79 (B) the total undeveloped acreage;
- 80 (C) the percentage of residential development; and
- 81 (D) the total number of housing units authorized, if applicable;
- 82 (d) the project area budget, if applicable, or other project area funds analyses, with
- 83 receipts and expenditures categorized by the type of receipt and expenditure related
- 84 to the development performed or to be performed under the project area plan,
- 85 including:
- 86 (i) each project area funds collection period, including:
- 87 (A) the start and end date of the project area funds collection period; and
- 88 (B) the number of years remaining in each project area funds collection period;
- 89 (ii) the amount of project area funds the agency is authorized to receive from the
- 90 project area cumulatively and from each taxing entity, including:
- 91 (A) the total dollar amount; and
- 92 (B) the percentage of the total amount of project area funds generated within the
- 93 project area;
- 94 (iii) the remaining amount of project area funds the agency is authorized to receive
- 95 from the project area cumulatively and from each taxing entity; and

- 96 (iv) the amount of project area funds the agency is authorized to use to pay for the  
97 agency's administrative costs, as described in Subsection 17C-1-409(1), including:  
98 (A) the total dollar amount; and  
99 (B) the percentage of the total amount of all project area funds;
- 100 (e) the estimated amount of project area funds that the agency is authorized to receive  
101 from the project area for the current calendar year;
- 102 (f) the estimated amount of project area funds to be paid to the agency for the next  
103 calendar year;
- 104 (g) a map of the project area;
- 105 (h) a description of how the goals, policies, and purposes of the project area plan have  
106 been furthered during the preceding year; and
- 107 (i) any other relevant information the agency elects to provide.
- 108 (5) An agency with no active project area shall, no later than June 30 of each year until the  
109 agency is dissolved under Section 17C-1-701.5, submit a report to the office stating that  
110 the agency has no active project area.
- 111 (6) Any information an agency submits in accordance with this section:
- 112 (a) is for informational purposes only; and
- 113 (b) does not alter the amount of project area funds that an agency is authorized to receive  
114 from a project area.
- 115 (7) The provisions of this section apply regardless of when the agency or project area is  
116 created.
- 117 (8) On or before September 1 of each year, the office shall prepare and submit an annual  
118 written report to the Political Subdivisions Interim Committee that identifies the  
119 agencies that complied and the agencies that failed to comply with the reporting  
120 requirements of this section during the preceding reporting period.
- 121 (9)(a) If, by September 30 of the year the information is due, the office does not receive  
122 the information that an agency is required to submit under Subsection (4), the office  
123 shall:
- 124 (i) refer the noncompliant agency to the state auditor for review; and
- 125 (ii) post a notice on the office website identifying the noncompliant agency and  
126 describing the agency's noncompliance.
- 127 (b) If the office does not receive a report an agency is required to submit under  
128 Subsection (5), the office shall refer the noncompliant agency to the state auditor for  
129 review.

- (c) If, for two consecutive years, the office does not receive information an agency is required to submit under Subsection (4):
- (i) the office shall, no later than July 31 of the second consecutive year, notify the auditor and treasurer of the county in which the noncompliant agency is located of the agency's noncompliance; and
- (ii) upon receiving the notice described in Subsection (9)(c)(i), the county treasurer shall withhold from the agency 20% of the amount of tax increment the agency is otherwise entitled to receive.
- (d) ~~[-until-]~~ If, after having funds withheld under Subsection (9)(c)(ii), an agency complies with Subsection (4):
- (i) ~~the office [notifies]~~ shall notify the county auditor and treasurer that the agency has complied with the requirement of Subsection (4); and
- (ii) the county treasurer shall disburse the withheld funds to the agency.

Section 2. Section **17C-1-606** is amended to read:

**17C-1-606 . County auditor report on project areas.**

- (1)(a) On or before March 31 of each year, the auditor of each county in which an agency is located shall prepare a report on the project areas within each agency.
- (b) The county auditor shall send a copy of each report under Subsection (1)(a) to the agency that is the subject of the report, the State Tax Commission, the State Board of Education, and each taxing entity from which the agency receives tax increment.
- (c) On or before March 31 of each year, the county auditor shall submit a copy of each report under Subsection (1)(a) to the Governor's Office of Economic Opportunity for inclusion in the database described in Section 17C-1-603.
- (2) Each report under Subsection (1)(a) shall report:
- (a) the total assessed property value within each project area for the previous tax year;
- (b) the base taxable value of each project area for the previous tax year;
- (c) the tax increment available to be paid to the agency for the previous tax year;
- (d) the tax increment requested by the agency for the previous tax year; and
- (e) the tax increment paid to the agency for the previous tax year.
- (3) Within 30 days after a request by an agency, the State Tax Commission, the State Board of Education, or any taxing entity from which the agency receives tax increment, the county auditor or the county assessor shall provide access to:
- (a) the county auditor's method and calculations used to make adjustments under [-] Section 17C-1-408;

- (b) the unequalized assessed valuation of an existing or proposed project area, or any parcel or parcels within an existing or proposed project area, if the equalized assessed valuation has not yet been determined for that year;
- (c) the most recent equalized assessed valuation of an existing or proposed project area or any parcel or parcels within an existing or proposed project area; and
- (d) the tax rate of each taxing entity adopted as of November 1 for the previous tax year.

(4) Each report described in Subsection (1)(a) shall include:

- (a) sufficient detail regarding the calculations performed by a county auditor so that an agency or other interested party could repeat and verify the calculations; and
- (b) a detailed explanation of any adjustments made to the base taxable value of each project area.

Section 3. Section **17C-1-607** is amended to read:

**17C-1-607 . State Tax Commission and county assessor required to account for new growth -- County auditor notification requirements.**

Upon the expiration of a project area funds collection period[,-] :

(1) the State Tax Commission and the assessor of each county in which a project area is located shall count as new growth the assessed value of property with respect to which the taxing entity is receiving taxes or increased taxes for the first time[-] ; and

(2) the county auditor shall:

- (a) notify each taxing entity that levies or imposes a tax within the project area of the expiration of the project area funds collection period; and
- (b) provide each taxing entity with the calculation of new growth attributed to the project area.

Section 4. **Effective Date.**

This bill takes effect on May 7, 2025.