

SB0129S02 compared with SB0129

~~{Omitted text}~~ shows text that was in SB0129 but was omitted in SB0129S02

inserted text shows text that was not in SB0129 but was inserted into SB0129S02

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1

Higher Education Development Areas

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Chris H. Wilson

House Sponsor: Steve Eliason

2

3 LONG TITLE

4 General Description:

5 This bill enacts provisions relating to the development of property owned by certain higher
education institutions.

7 Highlighted Provisions:

8 This bill:

9 ▶ authorizes certain higher education institutions to designate a development area consisting of
property owned by the institution;

11 ▶ provides a process for an institution to adopt a resolution designating a development area;

12 ▶ requires an institution to establish a fund for revenue from the development area and provides for
uses of money in the fund;

14 ▶ ~~{provides for property an eligible university leases to a private person to be exempt from a
privilege tax;}~~

16 ▶ ~~{requires approval from the Transportation and Infrastructure Appropriations
Subcommittee and the institution's board of trustees before the institution may adopt a
development agreement relating to property within a development area;}~~

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19 ▶ provides limitations on a member of the board {member's} of trustees regarding participation in
development actions and requires a {board} member of a board of trustees to disclose a conflict before
the board of trustees approves a development agreement; {and}

17 ▶ requires payment of privilege tax on leased property within a development area and
describes the method for a county treasurer to distribute privilege tax revenue to the institution;
and

22 ▶ requires the board of trustees to provide an annual report to the Higher Education Appropriations
Subcommittee for each development area.

22 Money Appropriated in this Bill:

23 None

24 Other Special Clauses:

25 None

27 ENACTS:

28 **53B-20-108** , Utah Code Annotated 1953 , Utah Code Annotated 1953

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

31 Section 1. Section 1 is enacted to read:

32 **53B-20-108. Development of university property.**

35 (1) As used in this section:

36 (a) "Boardof trustees" means the board of trustees of an eligible university.

37 (b) "Conflict" means a situation in which a board of trustees member or a family member of a board of
trustees member will or is likely to receive a direct financial benefit because of the development of
eligible university property within a development area.

40 (c) "Designation resolution" means a board of trustees' resolution designating eligible university
property as a development area.

42 (d) "Development action" means:

43 (i) {board} a board of trustees' deliberations on whether to adopt a designation resolution;

44 (ii) {the board's} a board of trustees' adoption of a designation resolution;

45 (iii) {board} a board of trustees' deliberations on whether to approve a development agreement; or

46 (iv) {the board's} a board of trustees' approval of a development agreement.

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- (e) "Development agreement" means an agreement ~~{governing-}~~ between an eligible university and a development partner that governs the development of eligible university property within a development area.
- 49 (f) "Development area" means a single, contiguous area~~that~~:
- 50 (i) ~~{of}~~ consists only of eligible university property; ~~{and}~~
- 52 (ii) is no larger than 75 acres; and
- 51 ~~{(ii)}~~ (iii) ~~{that-}~~ the ~~{eligible university-}~~ board of trustees designates for development or redevelopment in a designation resolution~~{, as provided in-}~~ under this section.
- 53 (g) "Development fund" means the fund described in and established under Subsection (4).
- 57 (h) "Development partner" means a person who enters into a development agreement with an eligible university to develop or redevelop eligible university property within a development area.
- 55 ~~{(h)}~~ (i) "Direct financial benefit":
- 56 (i) means any form of financial benefit that accrues to an individual directly, including:
- 58 (A) compensation, commission, or any other form of a payment or increase of money; and
- 60 (B) an increase in the value of a business or property; and
- 61 (ii) does not include a financial benefit that accrues to the public generally.
- 62 ~~{(i)}~~ (j) "Eligible university" means an institution of higher education listed in Subsection 53B-1-102(1)
- (a).
- 64 ~~{(j)}~~ (k) "Eligible university property" means real property owned by an eligible university.
- 65 ~~{(k)}~~ (l) "Family member" means a parent, spouse, sibling, child, or grandchild.
- 66 ~~{(l)}~~ (m) "Leased property" means eligible university property that:
- 67 (i) is within a development area; and
- 68 (ii) an eligible university leases to a private person.
- 74 (n) "Privilege tax" means a tax imposed under Section 59-4-101.
- 69 (2)
- (a) ~~{An-}~~ Except as provided in Subsection (2)(f), before January 1, 2035, an eligible university may, by resolution of the ~~{board}~~ eligible university's board of trustees, designate eligible university property as a development area.
- 71 (b) Before adopting a designation resolution, a board of trustees shall:
- 79 (i) obtain approval from the Utah Board of Higher Education of the geographic area proposed to be designated as a development area; and

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- 81 (ii) after obtaining approval from the Utah Board of Higher Education under Subsection (2)(b)(i):
72 {(i)} (A) provide notice of the public hearing required under Subsection {(2)(b)(i)} (2)(b)(ii)(B), as
required for a class A notice under Section 63G-30-102, for at least seven days before the day of the
public hearing; and
- 75 {(i)} (B) hold a public hearing on the proposed adoption of a designation resolution.
- 76 (c) A notice under Subsection {(2)(b)(i)} (2)(b)(ii)(A) shall include a copy of the proposed designation
resolution.
- 78 (d) A designation resolution, including a proposed designation resolution that accompanies a notice
under Subsection {(2)(b)(i)} (2)(b)(ii)(A), shall:
- 80 (i) accurately describe the boundary of the proposed development area;
81 (ii) describe the development that is proposed to occur in the proposed development area; and
83 (iii) estimate the amount and sources of revenue the eligible university expects to receive from the
development area.
- 85 (e) Before adopting a designation resolution, a board of trustees may modify the proposed designation
resolution to:
- 87 (i) address concerns raised in a public hearing held under Subsection {(2)(b)(i)} (2)(b)(ii)(B); or
88 (ii) clarify or adjust provisions of the proposed designation resolution, as the board of trustees considers
appropriate.
- 101 (f) A board of trustees may not adopt a designation resolution if:
90 {(f)} (i) {The board may not adopt a designation resolution if} the board of trustees has previously
adopted a designation resolution{;} ; or
- 103 (ii) the area in the proposed development area would overlap with part or all of:
- 104 (A) a community reinvestment project area created under Title 17C, Chapter 5, Part 1, Community
Reinvestment Project Area Plan, as that project area exists on May 7, 2025; or
- 107 (B) a housing and transit reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and
Transit Reinvestment Zone Act, as that zone exists on May 7, 2025.
- 92 (3) Within 30 days after {the board's} a board of trustees' adoption of a designation resolution, the
board of trustees or the {board's} board of trustees' delegee shall deliver a copy of the designation
resolution to:
- 94 (a) the clerk of the municipality in which the development area that is the subject of the designation
resolution is located; and

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- 96 (b) the assessor, ~~treasurer~~, and {~~treasurer~~} auditor of the county in which the development area that is
the subject of the designation resolution is located.
- 98 (4)
- (a) Upon adoption of a designation resolution, a board of trustees shall establish a separate fund related
to the development area that is the subject of the designation resolution.
- 100 (b) An eligible university shall deposit into a development fund all money the eligible university
receives from the development and lease of eligible university property within a development area.
- 103 (c) Money in a development fund shall be accounted for separately from any other fund of the eligible
university.
- 105 (d) An eligible university may use money in a development fund for:
- 106 (i) expenses associated with the development of the development area;
- 107 (ii) capital facility projects of the eligible university;
- 108 (iii) operation and maintenance costs associated with capital facilities of the eligible university; or
- 110 (iv) any other eligible university-related purpose.
- 111 ~~{(5) }~~
- ~~{(a) {Subject to Subsection (5)(b), an eligible university may enter into a development agreement.} }~~
- 113 ~~{(b)} (5) {Before an} An eligible university may enter into a development agreement{~~:~~ }.~~
- 114 ~~{(i) {the board shall receive the approval of the Transportation and Infrastructure Appropriations
Subcommittee of the Legislature for the development agreement; and} }~~
- 117 ~~{(ii) {the board shall approve the development agreement by resolution, adopted in a public meeting.} }~~
- 119 (6)
- (a) A board of trustees member may not participate in a development action if the board of trustees
member or a family member of the board of trustees member owns an interest in, is directly
affiliated with, or is an employee or officer of a private firm, private company, or other private
entity that the board of trustees member reasonably believes is likely to participate in or receive a
direct financial benefit from the development of land that is the subject of a development agreement.
- 125 (b) Before the board of trustees approves a development agreement, the board of trustees shall require
any member with a conflict to disclose the conflict in writing to the board of trustees.
- 127 (c) Nothing in this Subsection (6) affects the application or effect of any other code provision applicable
to a board of trustees member relating to ethics or conflicts of interest.
- 144 (7)

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- (a) Beginning January 1 of the year immediately following the execution of a development agreement, the possession or other beneficial use enjoyed by a person of leased property that is located within the development area subject to the development agreement shall be subject to Title 59, Chapter 4, Privilege Tax, if that leased property is used in connection with a business conducted for profit.
- 149 (b) The treasurer of the county in which the leased property described in Subsection (7)(a) is located shall, in the manner and at the time provided in Section 59-2-1365:
- 151 (i) collect privilege tax from a lessee of the leased property; and
- 129 ~~{(7)}~~ (ii) {Leased property is not subject to a } distribute 80% of the privilege tax {under Title 59, Chapter 4, Privilege Tax} revenue to the eligible university.
- 130 (8)
- (a) A board of trustees shall present a written report to the Higher Education Appropriations Subcommittee no later than September 30 of each year after the ~~{board's}~~ board of trustees' adoption of a designation resolution.
- 133 (b) A report under Subsection (8)(a) shall:
- 134 (i) describe the development taking place or expected to take place within the development area; and
- 136 (ii) provide a summary of money deposited into and expended from the development fund for that development area.

161 Section 2. **Effective date.**

This bill takes effect on May 7, 2025.

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