

SB0289S01 compared with SB0289

~~{Omitted text}~~ shows text that was in SB0289 but was omitted in SB0289S01

inserted text shows text that was not in SB0289 but was inserted into SB0289S01

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1

Community Development Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor:

2

3 **LONG TITLE**

4 **General Description:**

5 This bill addresses community reinvestment agencies.

6 **Highlighted Provisions:**

7 This bill:

8 ▶ defines terms;

9 ▶ ~~{allows an agency to extend a project area funds collection period for a project area that~~
includes a superfund site;

11 ▶ requires a county auditor to:

12 • submit annual project area and tax increment data to the Governor's Office of Economic
Opportunity; and

14 • notify taxing entities of the end of a project area funds collection period and the calculation
of new growth attributed to the project area;

16 ▶ 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

SB0289

SB0289 compared with SB0289S01

▸ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

AMENDS:

~~{17C-1-416, as enacted by Laws of Utah 2020, Sixth Special Session, Chapter 11, as enacted by Laws of Utah 2020, Sixth Special Session, Chapter 11}~~

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

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

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

ENACTS:

~~{17C-1-417, Utah Code Annotated 1953, Utah Code Annotated 1953}~~

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

~~{Section 1. Section 17C-1-416 is amended to read: }~~

17C-1-416. Extension of collection period for project areas impacted by COVID-19 emergency -- Requirements -- Limitations.

(1) For purposes of this section:

(a) "COVID-19 emergency" means the same as that term is defined in Section 53-2c-102.

(b) "Extension period" means the period of an impacted project area's project area funds collection period that is the result of an extension under this section.

(c) "Impacted project area" means a project area:

(i) that does not contain a superfund site where:

(A) metal refining occurred; and

(B) environmental remediation was or is being conducted;

[(i)] (ii) from which an agency expects to receive tax increment;

[(ii)] (iii) that is subject to a project area funds collection period;

SB0289 compared with SB0289S01

- 47 ~~[(iii)]~~ (iv) that is subject to a project area plan that was adopted on or before December 31, 2019; and
49 ~~[(iv)]~~ (v) in which the agency determines the conditions resulting from the COVID-19 emergency will likely:
- 51 (A) delay the agency's implementation of the project area plan; or
52 (B) cause the agency to receive an amount of tax increment from the project area that is less than the amount of tax increment the agency expected the agency would receive from the project area.
- 55 (d) "Tax increment" includes additional tax increment, as that term is defined in Section 17C-1-403.
57 (2)
- (a) Subject to Subsection (3), an agency may extend the project area funds collection period of an impacted project area for a period not to exceed two years ~~[from]~~ after the day on which the project area funds collection period ends if:
- 60 (i) the board adopts a resolution on or before December 31, 2021, describing:
- 61 (A) the conditions resulting from the COVID-19 emergency that the board determines will likely delay the implementation of the project area plan or reduce the amount of tax increment that the agency receives from the impacted project area;
- 65 (B) why an extension of the project area funds collection period is needed; and
66 (C) the date on which the extension period will end; and
67 (ii) no later than November 1 of the year immediately preceding the year in which the project area funds collection period, not including any extension under this section, ends, the agency mails or electronically submits a copy of the resolution described in Subsection (2)(a)(i) to:
- 71 (A) the State Tax Commission;
72 (B) the State Board of Education;
73 (C) the state auditor;
74 (D) the auditor of the county in which the impacted project area is located; and
75 (E) each taxing entity affected by the agency's collection of tax increment from the impacted project area.
- 77 (b) ~~[Notwithstanding any other provision of law, an]~~ An agency is not required to obtain taxing entity or taxing entity committee approval to extend a project area funds collection period under this section.
- 80 (c) An extension of a project area funds collection period under this section takes effect on the day on which the agency mails or electronically submits a copy of the resolution described in Subsection (2)(a)(i) to each entity ~~[specified]~~ described in Subsection (2)(a)(ii).

SB0289 compared with SB0289S01

- 84 (3)
- (a) This section does not allow an agency to change:
- 85 (i) the amount or percentage of tax increment that the agency is authorized to receive from the
impacted project area in the final two years of the project area funds collection period; or
- 88 (ii) the cumulative dollar amount of tax increment that the agency is authorized to receive from
the impacted project area, if the agency's receipt of tax increment is limited to a maximum
cumulative dollar amount.
- 91 (b) An agency that extends a project area funds collection period under this section shall use any tax
increment received during the extension period in the same manner as provided in:
- 94 (i) the project area plan; and
- 95 (ii)
- (A) the project area budget; or
- 96 (B) the resolution or interlocal agreement authorizing the agency to receive tax increment from the
impacted project area.
- 98 (c)
- (i) An extension of a project area funds collection period under this section does not automatically
extend the payment of tax increment under a previously approved participation agreement for the
extension period, regardless of any contrary term in the participation agreement.
- 102 (ii) An agency that extends a project area funds collection period under this section may only extend
the payment of tax increment under a previously approved participation agreement for the extension
period by:
- 105 (A) amending the previously approved participation agreement; or
- 106 (B) entering into a new participation agreement.
- 107 (d) Nothing in this section limits the right of an agency to extend the agency's collection of tax
increment as otherwise provided in this title.

109 Section 2. Section 2 is enacted to read:

110 **17C-1-417. Extension of collection period for superfund project areas -- Requirements --**
Limitations.

112 (1) As used in this section:

113 (a) "Extension period" means the period of a superfund project area's project area funds collection
period that is the result of an extension under this section.

SB0289 compared with SB0289S01

- 115 (b) "Superfund project area" means a project area:
116 (i) containing a superfund site where:
117 (A) metal refining occurred; and
118 (B) environmental remediation was or is being conducted;
119 (ii) from which an agency expects to receive tax increment;
120 (iii) that is subject to a project area funds collection period;
121 (iv) that is subject to a project area plan that was adopted on or before December 31, 2019; and
123 (v) in which the agency determines the conditions of the project area will likely:
124 (A) delay the agency's full implementation of the project area plan; or
125 (B) cause the agency to receive an amount of tax increment from the project area that is less than the
amount of tax increment the agency expected the agency would receive from the project area.
128 (c) "Tax increment" includes additional tax increment, as that term is defined in Section 17C-1-403.
130 (2)
(a) Subject to Subsection (3), an agency may extend the project area funds collection period of a
superfund project area for a period not to exceed seven years after the day on which the project area
funds collection period ends if:
133 (i) the board adopts a resolution on or before December 31, 2025, describing:
134 (A) why an extension of the project area funds collection period is needed; and
135 (B) the date on which the extension period will end; and
136 (ii) no later than November 1 of the year immediately preceding the year in which the project area
funds collection period, not including any extension under this section, ends, the agency mails
or electronically submits a copy of the resolution described in Subsection (2)(a)(i) to:
140 (A) the State Tax Commission;
141 (B) the State Board of Education;
142 (C) the state auditor;
143 (D) the auditor of the county in which the superfund project area is located; and
144 (E) each taxing entity affected by the agency's collection of tax increment from the superfund project
area.
146 (b) An agency is not required to obtain taxing entity or taxing entity committee approval to extend a
project area funds collection period under this section.

148

SB0289 compared with SB0289S01

(c) An extension of a project area funds collection period under this section takes effect on the day on which the agency mails or electronically submits a copy of the resolution described in Subsection (2)(a)(i) to each entity described in Subsection (2)(a)(ii).

(3)

(a) This section does not allow an agency to change:

(i) the amount or percentage of tax increment that the agency is authorized to receive from the superfund project area in the final two years of the project area funds collection period; or

(ii) the cumulative dollar amount of tax increment that the agency is authorized to receive from the superfund project area, if the agency's receipt of tax increment is limited to a maximum cumulative dollar amount.

(b) An agency that extends a project area funds collection period under this section shall use any tax increment received during the extension period in the same manner as provided in:

(i) the project area plan; and

(ii)

(A) the project area budget; or

(B) the resolution or interlocal agreement authorizing the agency to receive tax increment from the superfund project area.

(c)

(i) An extension of a project area funds collection period under this section does not automatically extend the payment of tax increment under a previously approved participation agreement for the extension period, regardless of any contrary term in the participation agreement.

(ii) An agency that extends a project area funds collection period under this section may only extend the payment of tax increment under a previously approved participation agreement for the extension period by:

(A) amending the previously approved participation agreement; or

(B) entering into a new participation agreement.

(d) Nothing in this section limits the right of an agency to extend the agency's collection of tax increment as otherwise provided in this title.

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.

SB0289 compared with SB0289S01

- 180 (1) As used in this section:
- 181 (a) "Database" means the collection of electronic data described in Subsection (2)(a).
- 182 (b) "Office" means the Governor's Office of Economic Opportunity.
- 183 (c) "Office website" means a public website maintained by the office.
- 184 (2) The office shall:
- 185 (a) create and maintain electronic data to track information for each agency located within the state; and
- 187 (b) make the database publicly accessible from the office website.
- 188 (3)
- (a) The office may:
- 189 (i) contract with a third party to create and maintain the database; and
- 190 (ii) charge a fee for a county, city, or agency to provide information to the database.
- 191 (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).
- 194 (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:
- 197 (a) an assessment of the change in marginal value, including:
- 198 (i) the base year;
- 199 [~~(ii) the base taxable value;~~]
- 200 [~~(iii) the prior year's assessed value;~~]
- 201 [~~(iv)~~] (ii) the estimated current assessed value;
- 202 [~~(v)~~] (iii) the percentage change in marginal value; and
- 203 [~~(vi)~~] (iv) a narrative description of the relative growth in assessed value;
- 204 (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:
- 208 (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 was created, if available;
- 211 (ii)
- (A) the agency's historical receipts and expenditures of project area funds, including the tax year for which the agency first received project area funds from the project area; or

SB0289 compared with SB0289S01

- 214 (B) if the agency has not yet received project area funds from the project area, the year in which the
agency expects each project area funds collection period to begin;
- 217 (iii) a list of each taxing entity that levies or imposes a tax within the project area and a description of
the benefits that each taxing entity receives from the project area; and
- 220 (iv) the amount paid to other taxing entities under Section 17C-1-410, if applicable;
- 221 (c) a description of current and anticipated project area development, including:
- 222 (i) a narrative of any significant project area development, including infrastructure development, site
development, participation agreements, or vertical construction; and
- 225 (ii) other details of development within the project area, including:
- 226 (A) the total developed acreage;
- 227 (B) the total undeveloped acreage;
- 228 (C) the percentage of residential development; and
- 229 (D) the total number of housing units authorized, if applicable;
- 230 (d) the project area budget, if applicable, or other project area funds analyses, with receipts and
expenditures categorized by the type of receipt and expenditure related to the development
performed or to be performed under the project area plan, including:
- 234 (i) each project area funds collection period, including:
- 235 (A) the start and end date of the project area funds collection period; and
- 236 (B) the number of years remaining in each project area funds collection period;
- 237 (ii) the amount of project area funds the agency is authorized to receive from the project area
cumulatively and from each taxing entity, including:
- 239 (A) the total dollar amount; and
- 240 (B) the percentage of the total amount of project area funds generated within the project area;
- 242 (iii) the remaining amount of project area funds the agency is authorized to receive from the project area
cumulatively and from each taxing entity; and
- 244 (iv) the amount of project area funds the agency is authorized to use to pay for the agency's
administrative costs, as described in Subsection 17C-1-409(1), including:
- 246 (A) the total dollar amount; and
- 247 (B) the percentage of the total amount of all project area funds;
- 248 (e) the estimated amount of project area funds that the agency is authorized to receive from the project
area for the current calendar year;

SB0289 compared with SB0289S01

- 250 (f) the estimated amount of project area funds to be paid to the agency for the next calendar year;
- 252 (g) a map of the project area;
- 253 (h) a description of how the goals, policies, and purposes of the project area plan have been furthered
during the preceding year; and
- 255 (i) any other relevant information the agency elects to provide.
- 256 (5) An agency with no active project area shall, no later than June 30 of each year until the agency is
dissolved under Section 17C-1-701.5, submit a report to the office stating that the agency has no
active project area.
- 259 (6) Any information an agency submits in accordance with this section:
- 260 (a) is for informational purposes only; and
- 261 (b) does not alter the amount of project area funds that an agency is authorized to receive from a project
area.
- 263 (7) The provisions of this section apply regardless of when the agency or project area is created.
- 265 (8) On or before September 1 of each year, the office shall prepare and submit an annual written report
to the Political Subdivisions Interim Committee that identifies the agencies that complied and the
agencies that failed to comply with the reporting requirements of this section during the preceding
reporting period.
- 269 (9)
- (a) If, by September 30 of the year the information is due, the office does not receive the information
that an agency is required to submit under Subsection (4), the office shall:
- 272 (i) refer the noncompliant agency to the state auditor for review; and
- 273 (ii) post a notice on the office website identifying the noncompliant agency and describing the
agency's noncompliance.
- 275 (b) If the office does not receive a report an agency is required to submit under Subsection (5), the
office shall refer the noncompliant agency to the state auditor for review.
- 278 (c) If, for two consecutive years, the office does not receive information an agency is required to submit
under Subsection (4):
- 280 (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
- 283 (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.

SB0289 compared with SB0289S01

- 286 (d) ~~[until]~~ If, after having funds withheld under Subsection (9)(c)(ii), an agency complies with
Subsection (4):
- 288 (i) the office ~~[notifies]~~ shall notify the county auditor and treasurer that the agency has complied with
the requirement of Subsection (4); and
- 290 (ii) the county treasurer shall disburse the withheld funds to the agency.
- 143 Section 2. Section **17C-1-606** is amended to read:
- 144 **17C-1-606. County auditor report on project areas.**
- 293 (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.
- 295 (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.
- 298 (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.
- 301 (2) Each report under Subsection (1)(a) shall report:
- 302 (a) the total assessed property value within each project area for the previous tax year;
- 303 (b) the base taxable value of each project area for the previous tax year;
- 304 (c) the tax increment available to be paid to the agency for the previous tax year;
- 305 (d) the tax increment requested by the agency for the previous tax year; and
- 306 (e) the tax increment paid to the agency for the previous tax year.
- 307 (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:
- 310 (a) the county auditor's method and calculations used to make adjustments under ~~[-]~~Section 17C-1-408;
- 312 (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;
- 315 (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

SB0289 compared with SB0289S01

- 317 (d) the tax rate of each taxing entity adopted as of November 1 for the previous tax year.
318 (4) Each report described in Subsection (1)(a) shall include:
319 (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
321 (b) a detailed explanation of any adjustments made to the base taxable value of each project area.

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

176 **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[,];

- 327 (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
330 (2) the county auditor shall:
331 (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
333 (b) provide each taxing entity with the calculation of new growth attributed to the project area.

187 Section 4. **Effective date.**

This bill takes effect on May 7, 2025.

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