

Chris H. Wilson proposes the following substitute bill:

**Higher Education Development Areas**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Chris H. Wilson**

House Sponsor: Steve Eliason

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**LONG TITLE**

**General Description:**

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

**Highlighted Provisions:**

This bill:

- authorizes certain higher education institutions to designate a development area consisting of property owned by the institution;
- provides a process for an institution to adopt a resolution designating a development area;
- requires an institution to establish a fund for revenue from the development area and provides for uses of money in the fund;
- provides for property an eligible university leases to a private person to be exempt from a privilege tax;
- 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;
- provides limitations on a member of the board of trustees regarding participation in development actions and requires a member of a board of trustees to disclose a conflict before the board of trustees approves a development agreement; and
- requires the board of trustees to provide an annual report to the Higher Education Appropriations Subcommittee for each development area.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

29 ENACTS:

30 **53B-20-108**, Utah Code Annotated 1953

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

33 Section 1. Section **53B-20-108** is enacted to read:

34 **53B-20-108 . Development of university property.**

35 (1) As used in this section:

36 (a) "Board of 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  
38 member of a board of trustees member will or is likely to receive a direct financial  
39 benefit because of the development of eligible university property within a  
40 development area.

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

43 (d) "Development action" means:

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

45 (ii) a board of trustees' adoption of a designation resolution;

46 (iii) a board of trustees' deliberations on whether to approve a development  
47 agreement; or

48 (iv) a board of trustees' approval of a development agreement.

49 (e) "Development agreement" means an agreement governing the development of  
50 eligible university property within a development area.

51 (f) "Development area" means a single, contiguous area:

52 (i) of only eligible university property;

53 (ii) that the board of trustees designates for development in a designation resolution  
54 under this section; and

55 (iii) that has not been meaningfully developed at the time the board of trustees  
56 designates the area for development.

57 (g) "Development fund" means the fund described in and established under Subsection  
58 (4).

59 (h) "Direct financial benefit":

60 (i) means any form of financial benefit that accrues to an individual directly,  
61 including:

62 (A) compensation, commission, or any other form of a payment or increase of

- 63                   money; and
- 64                   (B) an increase in the value of a business or property; and
- 65                   (ii) does not include a financial benefit that accrues to the public generally.
- 66                   (i) "Eligible university" means an institution of higher education listed in Subsection
- 67                   53B-1-102(1)(a).
- 68                   (j) "Eligible university property" means real property owned by an eligible university.
- 69                   (k) "Family member" means a parent, spouse, sibling, child, or grandchild.
- 70                   (l) "Leased property" means eligible university property that:
- 71                   (i) is within a development area; and
- 72                   (ii) an eligible university leases to a private person.
- 73                   (2)(a) An eligible university may, by resolution of the eligible university's board of
- 74                   trustees, designate eligible university property as a development area.
- 75                   (b) Before adopting a designation resolution, a board of trustees shall:
- 76                   (i) obtain approval from the Utah Board of Higher Education of the geographic area
- 77                   proposed to be designated as a development area; and
- 78                   (ii) after obtaining approval from the Utah Board of Higher Education under
- 79                   Subsection (2)(b)(i):
- 80                   (A) provide notice of the public hearing required under Subsection (2)(b)(ii)(B),
- 81                   as required for a class A notice under Section 63G-30-102, for at least seven
- 82                   days before the day of the public hearing; and
- 83                   (B) hold a public hearing on the proposed adoption of a designation resolution.
- 84                   (c) A notice under Subsection (2)(b)(ii)(A) shall include a copy of the proposed
- 85                   designation resolution.
- 86                   (d) A designation resolution, including a proposed designation resolution that
- 87                   accompanies a notice under Subsection (2)(b)(ii)(A), shall:
- 88                   (i) accurately describe the boundary of the proposed development area;
- 89                   (ii) describe the development that is proposed to occur in the proposed development
- 90                   area; and
- 91                   (iii) estimate the amount and sources of revenue the eligible university expects to
- 92                   receive from the development area.
- 93                   (e) Before adopting a designation resolution, a board of trustees may modify the
- 94                   proposed designation resolution to:
- 95                   (i) address concerns raised in a public hearing held under Subsection (2)(b)(ii)(B); or
- 96                   (ii) clarify or adjust provisions of the proposed designation resolution, as the board of

97 trustees considers appropriate.

98 (f) A board of trustees may not adopt a designation resolution if the board of trustees has  
99 previously adopted a designation resolution.

100 (3) Within 30 days after a board of trustees' adoption of a designation resolution, the board  
101 of trustees or the board of trustees' delegee shall deliver a copy of the designation  
102 resolution to:

103 (a) the clerk of the municipality in which the development area that is the subject of the  
104 designation resolution is located; and

105 (b) the assessor and treasurer of the county in which the development area that is the  
106 subject of the designation resolution is located.

107 (4)(a) Upon adoption of a designation resolution, a board of trustees shall establish a  
108 separate fund related to the development area that is the subject of the designation  
109 resolution.

110 (b) An eligible university shall deposit into a development fund all money the eligible  
111 university receives from the development and lease of eligible university property  
112 within a development area.

113 (c) Money in a development fund shall be accounted for separately from any other fund  
114 of the eligible university.

115 (d) An eligible university may use money in a development fund for:

116 (i) expenses associated with the development of the development area;

117 (ii) capital facility projects of the eligible university;

118 (iii) operation and maintenance costs associated with capital facilities of the eligible  
119 university; or

120 (iv) any other eligible university-related purpose.

121 (5)(a) Subject to Subsection (5)(b), an eligible university may enter into a development  
122 agreement.

123 (b) Before an eligible university may enter into a development agreement, the board of  
124 trustees shall:

125 (i) receive the approval of the Transportation and Infrastructure Appropriations  
126 Subcommittee of the Legislature for the development agreement; and

127 (ii) approve the development agreement by resolution, adopted in a public meeting.

128 (6)(a) A board of trustees member may not participate in a development action if the  
129 board of trustees member or a family member of the board of trustees member owns  
130 an interest in, is directly affiliated with, or is an employee or officer of a private firm,

131 private company, or other private entity that the board of trustees member reasonably  
132 believes is likely to participate in or receive a direct financial benefit from the  
133 development of land that is the subject of a development agreement.

134 (b) Before the board of trustees approves a development agreement, the board of trustees  
135 shall require any member with a conflict to disclose the conflict in writing to the  
136 board of trustees.

137 (c) Nothing in this Subsection (6) affects the application or effect of any other code  
138 provision applicable to a board of trustees member relating to ethics or conflicts of  
139 interest.

140 (7) Leased property is not subject to a privilege tax under Title 59, Chapter 4, Privilege Tax.

141 (8)(a) A board of trustees shall present a written report to the Higher Education  
142 Appropriations Subcommittee no later than September 30 of each year after the board  
143 of trustees' adoption of a designation resolution.

144 (b) A report under Subsection (8)(a) shall:

145 (i) describe the development taking place or expected to take place within the  
146 development area; and

147 (ii) provide a summary of money deposited into and expended from the development  
148 fund for that development area.

149 **Section 2. Effective date.**

150 This bill takes effect on May 7, 2025.