

1 **Community Development Amendments**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

House Sponsor:

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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
- 10 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
  - 13 Economic Opportunity; and
  - 14 • notify taxing entities of the end of a project area funds collection period and the
  - 15 calculation of new growth attributed to the project area;
  - 16 ▶ clarifies that an agency that has funds withheld due to non-compliance with reporting
  - 17 requirements will receive those withheld funds once the agency complies with reporting
  - 18 requirements; and
  - 19 ▶ makes technical changes.

20 **Money Appropriated in this Bill:**

21 None

22 **Other Special Clauses:**

23 None

24 **Utah Code Sections Affected:**

25 AMENDS:

26 **17C-1-416**, as enacted by Laws of Utah 2020, Sixth Special Session, Chapter 11

27 **17C-1-603**, as last amended by Laws of Utah 2024, Chapter 316

28 **17C-1-606**, as last amended by Laws of Utah 2016, Chapter 350

29 **17C-1-607**, as last amended by Laws of Utah 2016, Chapter 350

30 ENACTS:

31 **17C-1-417**, Utah Code Annotated 1953

32

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

34 Section 1. Section **17C-1-416** is amended to read:

35 **17C-1-416 . Extension of collection period for project areas impacted by**  
 36 **COVID-19 emergency -- Requirements -- Limitations.**

37 (1) For purposes of this section:

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

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

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

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

43 (A) metal refining occurred; and

44 (B) environmental remediation was or is being conducted;

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

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

47 [(+)] (iv) that is subject to a project area plan that was adopted on or before  
 48 December 31, 2019; and

49 [(+)] (v) in which the agency determines the conditions resulting from the COVID-19  
 50 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  
 53 that is less than the amount of tax increment the agency expected the agency  
 54 would receive from the project area.

55 (d) "Tax increment" includes additional tax increment, as that term is defined in Section  
 56 17C-1-403.

57 (2)(a) Subject to Subsection (3), an agency may extend the project area funds collection  
 58 period of an impacted project area for a period not to exceed two years [~~from~~] after  
 59 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  
 62 determines will likely delay the implementation of the project area plan or  
 63 reduce the amount of tax increment that the agency receives from the impacted  
 64 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  
68 project area funds collection period, not including any extension under this  
69 section, ends, the agency mails or electronically submits a copy of the resolution  
70 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  
76 the impacted project area.
- 77 (b) ~~[Notwithstanding any other provision of law, an]~~ An agency is not required to obtain  
78 taxing entity or taxing entity committee approval to extend a project area funds  
79 collection period under this section.
- 80 (c) An extension of a project area funds collection period under this section takes effect  
81 on the day on which the agency mails or electronically submits a copy of the  
82 resolution described in Subsection (2)(a)(i) to each entity ~~[specified]~~ described in  
83 Subsection (2)(a)(ii).
- 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  
86 from the impacted project area in the final two years of the project area funds  
87 collection period; or  
88 (ii) the cumulative dollar amount of tax increment that the agency is authorized to  
89 receive from the impacted project area, if the agency's receipt of tax increment is  
90 limited to a maximum cumulative dollar amount.
- 91 (b) An agency that extends a project area funds collection period under this section shall  
92 use any tax increment received during the extension period in the same manner as  
93 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  
97 increment from the impacted project area.
- 98 (c)(i) An extension of a project area funds collection period under this section does

- 99 not automatically extend the payment of tax increment under a previously  
 100 approved participation agreement for the extension period, regardless of any  
 101 contrary term in the participation agreement.
- 102 (ii) An agency that extends a project area funds collection period under this section  
 103 may only extend the payment of tax increment under a previously approved  
 104 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  
 108 of tax increment as otherwise provided in this title.

109 Section 2. Section **17C-1-417** is enacted to read:

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

111 **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  
 114 collection period that is the result of an extension under this section.
- 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,  
 122 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  
 126 that is less than the amount of tax increment the agency expected the agency  
 127 would receive from the project area.
- 128 (c) "Tax increment" includes additional tax increment, as that term is defined in Section  
 129 17C-1-403.
- 130 (2)(a) Subject to Subsection (3), an agency may extend the project area funds collection  
 131 period of a superfund project area for a period not to exceed seven years after the day  
 132 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  
137 project area funds collection period, not including any extension under this  
138 section, ends, the agency mails or electronically submits a copy of the resolution  
139 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  
145 the superfund project area.
- 146 (b) An agency is not required to obtain taxing entity or taxing entity committee approval  
147 to extend a project area funds collection period under this section.
- 148 (c) An extension of a project area funds collection period under this section takes effect  
149 on the day on which the agency mails or electronically submits a copy of the  
150 resolution described in Subsection (2)(a)(i) to each entity described in Subsection  
151 (2)(a)(ii).
- 152 (3)(a) This section does not allow an agency to change:  
153 (i) the amount or percentage of tax increment that the agency is authorized to receive  
154 from the superfund project area in the final two years of the project area funds  
155 collection period; or  
156 (ii) the cumulative dollar amount of tax increment that the agency is authorized to  
157 receive from the superfund project area, if the agency's receipt of tax increment is  
158 limited to a maximum cumulative dollar amount.
- 159 (b) An agency that extends a project area funds collection period under this section shall  
160 use any tax increment received during the extension period in the same manner as  
161 provided in:  
162 (i) the project area plan; and  
163 (ii)(A) the project area budget; or  
164 (B) the resolution or interlocal agreement authorizing the agency to receive tax  
165 increment from the superfund project area.
- 166 (c)(i) An extension of a project area funds collection period under this section does

- 167 not automatically extend the payment of tax increment under a previously  
 168 approved participation agreement for the extension period, regardless of any  
 169 contrary term in the participation agreement.
- 170 (ii) An agency that extends a project area funds collection period under this section  
 171 may only extend the payment of tax increment under a previously approved  
 172 participation agreement for the extension period by:
- 173 (A) amending the previously approved participation agreement; or  
 174 (B) entering into a new participation agreement.
- 175 (d) Nothing in this section limits the right of an agency to extend the agency's collection  
 176 of tax increment as otherwise provided in this title.

177 Section 3. Section **17C-1-603** is amended to read:

178 **17C-1-603 . Reporting requirements -- Governor's Office of Economic**  
 179 **Opportunity to maintain a database.**

- 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  
 186 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  
 192 Administrative Rulemaking Act, to establish a fee schedule for the fee described in  
 193 Subsection (3)(a)(ii).
- 194 (4) On or before June 30 of each year, an agency shall, for each active project area for  
 195 which the project area funds collection period has not expired, submit to the office for  
 196 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
- 205            funds the agency spent for each year of the project area funds collection period,
- 206            broken down by the applicable budget or funds analysis category described in
- 207            Subsection (4)(d), including:
- 208            (i) a comparison of the actual project area funds received and spent for each year to
- 209                    the amount of project area funds forecasted for each year when the project area
- 210                    was created, if available;
- 211            (ii)(A) the agency's historical receipts and expenditures of project area funds,
- 212                    including the tax year for which the agency first received project area funds
- 213                    from the project area; or
- 214                    (B) if the agency has not yet received project area funds from the project area, the
- 215                            year in which the agency expects each project area funds collection period to
- 216                            begin;
- 217            (iii) a list of each taxing entity that levies or imposes a tax within the project area and
- 218                    a description of the benefits that each taxing entity receives from the project area;
- 219                    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
- 223                    development, site development, participation agreements, or vertical construction;
- 224                    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
- 231            receipts and expenditures categorized by the type of receipt and expenditure related
- 232            to the development performed or to be performed under the project area plan,
- 233            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  
238 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  
241 project area;
- 242 (iii) the remaining amount of project area funds the agency is authorized to receive  
243 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  
245 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  
249 from the project area for the current calendar year;
- 250 (f) the estimated amount of project area funds to be paid to the agency for the next  
251 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  
254 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  
257 agency is dissolved under Section 17C-1-701.5, submit a report to the office stating that  
258 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  
262 from a project area.
- 263 (7) The provisions of this section apply regardless of when the agency or project area is  
264 created.
- 265 (8) On or before September 1 of each year, the office shall prepare and submit an annual  
266 written report to the Political Subdivisions Interim Committee that identifies the  
267 agencies that complied and the agencies that failed to comply with the reporting  
268 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  
 270 the information that an agency is required to submit under Subsection (4), the office  
 271 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  
 274 describing the agency's noncompliance.
- 275 (b) If the office does not receive a report an agency is required to submit under  
 276 Subsection (5), the office shall refer the noncompliant agency to the state auditor for  
 277 review.
- 278 (c) If, for two consecutive years, the office does not receive information an agency is  
 279 required to submit under Subsection (4):
- 280 (i) the office shall, no later than July 31 of the second consecutive year, notify the  
 281 auditor and treasurer of the county in which the noncompliant agency is located of  
 282 the agency's noncompliance; and
  - 283 (ii) upon receiving the notice described in Subsection (9)(c)(i), the county treasurer  
 284 shall withhold from the agency 20% of the amount of tax increment the agency is  
 285 otherwise entitled to receive.
- 286 (d) [until] If, after having funds withheld under Subsection (9)(c)(ii), an agency  
 287 complies with Subsection (4):
- 288 (i) the office [notifies] shall notify the county auditor and treasurer that the agency has  
 289 complied with the requirement of Subsection (4); and
  - 290 (ii) the county treasurer shall disburse the withheld funds to the agency.

291 Section 4. Section **17C-1-606** is amended to read:

292 **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  
 294 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  
 296 agency that is the subject of the report, the State Tax Commission, the State Board of  
 297 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  
 299 report under Subsection (1)(a) to the Governor's Office of Economic Opportunity for  
 300 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
- 308 of Education, or any taxing entity from which the agency receives tax increment, the
- 309 county auditor or the county assessor shall provide access to:
- 310 (a) the county auditor's method and calculations used to make adjustments under [-]
- 311 Section 17C-1-408;
- 312 (b) the unequalized assessed valuation of an existing or proposed project area, or any
- 313 parcel or parcels within an existing or proposed project area, if the equalized assessed
- 314 valuation has not yet been determined for that year;
- 315 (c) the most recent equalized assessed valuation of an existing or proposed project area
- 316 or any parcel or parcels within an existing or proposed project area; and
- 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
- 320 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
- 322 project area.

323 Section 5. Section **17C-1-607** is amended to read:

324 **17C-1-607 . State Tax Commission and county assessor required to account for**

325 **new growth -- County auditor notification requirements.**

326 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
- 328 located shall count as new growth the assessed value of property with respect to which
- 329 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
- 332 expiration of the project area funds collection period; and
- 333 (b) provide each taxing entity with the calculation of new growth attributed to the
- 334 project area.

335 Section 6. **Effective Date.**

336 This bill takes effect on May 7, 2025.