

Community Reinvestment Agency Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: R. Neil Walter

LONG TITLE

General Description:

This bill modifies requirements for dissolving a community reinvestment agency project area.

Highlighted Provisions:

This bill:

- defines terms;
modifies when a community reinvestment agency project area is dissolved;
creates a process for extending a project area dormancy period; and
makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

- 17C-1-102, as last amended by Laws of Utah 2025, First Special Session, Chapter 16
17C-1-702, as last amended by Laws of Utah 2024, Chapter 316
17C-1-803, as last amended by Laws of Utah 2019, Chapter 376
17C-1-805, as last amended by Laws of Utah 2019, Chapter 376
17C-5-306, as last amended by Laws of Utah 2021, Chapter 214

ENACTS:

17C-1-810, Utah Code Annotated 1953

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

28 Section 1. Section **17C-1-102** is amended to read:

29 **17C-1-102 . Definitions.**

30 As used in this title:

31 [~~(1)~~] "~~Active project area~~" means a project area that has not been dissolved in accordance  
32 with ~~Section 17C-1-702.~~]

33 [~~(2)~~] (1) "Adjusted tax increment" means the percentage of tax increment, if less than 100%,  
34 that an agency is authorized to receive:

35 (a) for a pre-July 1, 1993, project area plan, under Section 17C-1-403, excluding tax  
36 increment under Subsection 17C-1-403(3);

37 (b) for a post-June 30, 1993, project area plan, under Section 17C-1-404, excluding tax  
38 increment under Section 17C-1-406;

39 (c) under a project area budget approved by a taxing entity committee; or

40 (d) under an interlocal agreement that authorizes the agency to receive a taxing entity's  
41 tax increment.

42 [~~(3)~~] (2) "Affordable housing" means housing owned or occupied by a low or moderate  
43 income family, as determined by resolution of the agency.

44 [~~(4)~~] (3) "Agency" or "community reinvestment agency" means a separate body corporate  
45 and politic, created under Section 17C-1-201.5 or as a redevelopment agency or  
46 community development and renewal agency under previous law:

47 (a) that is a political subdivision of the state;

48 (b) that is created to undertake or promote project area development as provided in this  
49 title; and

50 (c) whose geographic boundaries are coterminous with:

51 (i) for an agency created by a county, the unincorporated area of the county; and

52 (ii) for an agency created by a municipality, the boundaries of the municipality.

53 [~~(5)~~] (4) "Agency funds" means money that an agency collects or receives for agency  
54 operations, implementing a project area plan or an implementation plan as defined in  
55 Section 17C-1-1001, or other agency purposes, including:

56 (a) project area funds;

57 (b) income, proceeds, revenue, or property derived from or held in connection with the  
58 agency's undertaking and implementation of project area development or  
59 agency-wide project development as defined in Section 17C-1-1001;

60 (c) a contribution, loan, grant, or other financial assistance from any public or private  
61 source;

- 62 (d) project area incremental revenue as defined in Section 17C-1-1001; or  
63 (e) property tax revenue as defined in Section 17C-1-1001.
- 64 ~~[(6)]~~ (5) "Annual income" means the same as that term is defined in regulations of the  
65 United States Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as  
66 amended or as superseded by replacement regulations.
- 67 ~~[(7)]~~ (6) "Assessment roll" means the same as that term is defined in Section 59-2-102.
- 68 ~~[(8)]~~ (7) "Base taxable value" means, unless otherwise adjusted in accordance with  
69 provisions of this title, a property's taxable value as shown upon the assessment roll last  
70 equalized during the base year.
- 71 ~~[(9)]~~ (8) "Base year" means, except as provided in Subsection 17C-1-402(4)(c), the year  
72 during which the assessment roll is last equalized:
- 73 (a) for a pre-July 1, 1993, urban renewal or economic development project area plan,  
74 before the project area plan's effective date;
- 75 (b) for a post-June 30, 1993, urban renewal or economic development project area plan,  
76 or a community reinvestment project area plan that is subject to a taxing entity  
77 committee:
- 78 (i) before the date on which the taxing entity committee approves the project area  
79 budget; or
- 80 (ii) if taxing entity committee approval is not required for the project area budget,  
81 before the date on which the community legislative body adopts the project area  
82 plan;
- 83 (c) for a project on an inactive airport site, after the later of:
- 84 (i) the date on which the inactive airport site is sold for remediation and  
85 development; or
- 86 (ii) the date on which the airport that operated on the inactive airport site ceased  
87 operations; or
- 88 (d) for a community development project area plan or a community reinvestment project  
89 area plan that is subject to an interlocal agreement, as described in the interlocal  
90 agreement.
- 91 ~~[(10)]~~ (9) "Basic levy" means the portion of a school district's tax levy constituting the  
92 minimum basic levy under Section 59-2-902.
- 93 ~~[(11)]~~ (10) "Board" means the governing body of an agency, as described in Section  
94 17C-1-203.
- 95 ~~[(12)]~~ (11) "Budget hearing" means the public hearing on a proposed project area budget

- 96 required under Subsection 17C-2-201(2)(d) for an urban renewal project area budget,  
97 Subsection 17C-3-201(2)(d) for an economic development project area budget, or  
98 Subsection 17C-5-302(2)(e) for a community reinvestment project area budget.
- 99 ~~[(13)]~~ (12) "Closed military base" means land within a former military base that the Defense  
100 Base Closure and Realignment Commission has voted to close or realign when that  
101 action has been sustained by the president of the United States and Congress.
- 102 ~~[(14)]~~ (13) "Combined incremental value" means the combined total of all incremental  
103 values from all project areas, except project areas that contain some or all of a military  
104 installation or inactive industrial site, within the agency's boundaries under project area  
105 plans and project area budgets at the time that a project area budget for a new project  
106 area is being considered.
- 107 ~~[(15)]~~ (14) "Community" means a county or municipality.
- 108 ~~[(16)]~~ (15) "Community development project area plan" means a project area plan adopted  
109 under Chapter 4, Part 1, Community Development Project Area Plan.
- 110 ~~[(17)]~~ (16) "Community legislative body" means the legislative body of the community that  
111 created the agency.
- 112 ~~[(18)]~~ (17) "Community reinvestment project area plan" means a project area plan adopted  
113 under Chapter 5, Part 1, Community Reinvestment Project Area Plan.
- 114 ~~[(19)]~~ (18) "Contest" means to file a written complaint in a court with jurisdiction under  
115 Title 78A, Judiciary and Judicial Administration, and in a county in which the agency is  
116 located if the action is filed in the district court.
- 117 ~~[(20)]~~ (19) "Development impediment" means a condition of an area that meets the  
118 requirements described in Section 17C-2-303 for an urban renewal project area or  
119 Section 17C-5-405 for a community reinvestment project area.
- 120 ~~[(21)]~~ (20) "Development impediment hearing" means a public hearing regarding whether a  
121 development impediment exists within a proposed:
- 122 (a) urban renewal project area under Subsection 17C-2-102(1)(a)(i)(C) and Section  
123 17C-2-302; or
- 124 (b) community reinvestment project area under Section 17C-5-404.
- 125 ~~[(22)]~~ (21) "Development impediment study" means a study to determine whether a  
126 development impediment exists within a survey area as described in Section 17C-2-301  
127 for an urban renewal project area or Section 17C-5-403 for a community reinvestment  
128 project area.
- 129 (22) "Dormancy period" means a period that ends six months after the project area funds

- 130 collection period ends.
- 131 (23) "Dormancy period extension hearing" means the public hearing on a proposed  
132 extension of a dormancy period required under Subsection 17C-1-702(2)(a).
- 133 [~~(23)~~] (24) "Economic development project area plan" means a project area plan adopted  
134 under Chapter 3, Part 1, Economic Development Project Area Plan.
- 135 [~~(24)~~] (25) "Fair share ratio" means the ratio derived by:
- 136 (a) for a municipality, comparing the percentage of all housing units within the  
137 municipality that are publicly subsidized income targeted housing units to the  
138 percentage of all housing units within the county in which the municipality is located  
139 that are publicly subsidized income targeted housing units; or
- 140 (b) for the unincorporated part of a county, comparing the percentage of all housing  
141 units within the unincorporated county that are publicly subsidized income targeted  
142 housing units to the percentage of all housing units within the whole county that are  
143 publicly subsidized income targeted housing units.
- 144 [~~(25)~~] (26) "Family" means the same as that term is defined in regulations of the United  
145 States Department of Housing and Urban Development, 24 C.F.R. Section 5.403, as  
146 amended or as superseded by replacement regulations.
- 147 [~~(26)~~] (27) "Greenfield" means land not developed beyond agricultural, range, or forestry  
148 use.
- 149 [~~(27)~~] (28) "Hazardous waste" means any substance defined, regulated, or listed as a  
150 hazardous substance, hazardous material, hazardous waste, toxic waste, pollutant,  
151 contaminant, or toxic substance, or identified as hazardous to human health or the  
152 environment, under state or federal law or regulation.
- 153 [~~(28)~~] (29) "Housing allocation" means project area funds allocated for housing under  
154 Section 17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section  
155 17C-1-412.
- 156 [~~(29)~~] (30) "Housing fund" means a fund created by an agency for purposes described in  
157 Section 17C-1-411 or 17C-1-412 that is comprised of:
- 158 (a) project area funds, project area incremental revenue as defined in Section 17C-1-1001,  
159 or property tax revenue as defined in Section 17C-1-1001 allocated for the purposes  
160 described in Section 17C-1-411; or
- 161 (b) an agency's housing allocation.
- 162 [~~(30)~~] (31)(a) "Inactive airport site" means land that:
- 163 (i) consists of at least 100 acres;

- 164 (ii) is occupied by an airport:
- 165 (A)(I) that is no longer in operation as an airport; or
- 166 (II)(Aa) that is scheduled to be decommissioned; and
- 167 (Bb) for which a replacement commercial service airport is under
- 168 construction; and
- 169 (B) that is owned or was formerly owned and operated by a public entity; and
- 170 (iii) requires remediation because:
- 171 (A) of the presence of hazardous waste or solid waste; or
- 172 (B) the site lacks sufficient public infrastructure and facilities, including public
- 173 roads, electric service, water system, and sewer system, needed to support
- 174 development of the site.
- 175 (b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land
- 176 described in [~~Subsection (30)(a)~~] Subsection (31)(a).
- 177 [~~(31)~~] (32)(a) "Inactive industrial site" means land that:
- 178 (i) consists of at least 1,000 acres;
- 179 (ii) is occupied by an inactive or abandoned factory, smelter, or other heavy industrial
- 180 facility; and
- 181 (iii) requires remediation because of the presence of hazardous waste or solid waste.
- 182 (b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land
- 183 described in [~~Subsection (31)(a)~~] Subsection (32)(a).
- 184 [~~(32)~~] (33) "Income targeted housing" means housing that is:
- 185 (a) owned and occupied by a family whose annual income is at or below 120% of the
- 186 median annual income for a family within the county in which the housing is located;
- 187 or
- 188 (b) occupied by a family whose annual income is at or below 80% of the median annual
- 189 income for a family within the county in which the housing is located.
- 190 [~~(33)~~] (34) "Incremental value" means a figure derived by multiplying the marginal value of
- 191 the property located within a project area on which tax increment is collected by a
- 192 number that represents the adjusted tax increment from that project area that is paid to
- 193 the agency.
- 194 [~~(34)~~] (35) "Loan fund board" means the Olene Walker Housing Loan Fund Board,
- 195 established under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund.
- 196 [~~(35)~~] (36)(a) " Local government building" means a building owned and operated by a
- 197 community for the primary purpose of providing one or more primary community

- 198 functions, including:
- 199 (i) a fire station;
- 200 (ii) a police station;
- 201 (iii) a city hall; or
- 202 (iv) a court or other judicial building.
- 203 (b) "Local government building" does not include a building the primary purpose of
- 204 which is cultural or recreational in nature.
- 205 ~~[(36)]~~ (37) "Low-income individual" means the same as that term is defined in Section
- 206 35A-8-504.5.
- 207 ~~[(37)]~~ (38) "Major transit investment corridor" means the same as that term is defined in
- 208 Section 10-20-102.
- 209 ~~[(38)]~~ (39) "Marginal value" means the difference between actual taxable value and base
- 210 taxable value.
- 211 ~~[(39)]~~ (40) "Military installation project area" means a project area or a portion of a project
- 212 area located within a federal military installation ordered closed by the federal Defense
- 213 Base Realignment and Closure Commission.
- 214 ~~[(40)]~~ (41) "Municipality" means a city or town.
- 215 ~~[(41)]~~ (42) "Non-profit housing fund" means:
- 216 (a) an organization that meets the definition of "housing organization" in Section
- 217 35A-8-2401;
- 218 (b) a registered nonprofit that assists veterans or individuals who work in public service
- 219 to achieve homeownership in the state;
- 220 (c) a registered nonprofit that:
- 221 (i) assists low-income individuals or families who would qualify for income targeted
- 222 housing to achieve homeownership in the state; and
- 223 (ii) provides direct support to help a low-income individual or a family eligible for
- 224 income targeted housing to retain ownership of a home, including through
- 225 rehabilitation services, lending for rehabilitation, or foreclosure mitigation
- 226 counseling that results in retention of the home, refinancing, or a reverse mortgage;
- 227 (d) a registered nonprofit that partners with a community to promote affordable housing
- 228 for the workforce in that community; or
- 229 (e) a registered nonprofit established to administer housing programs on behalf of an
- 230 association representing 10 or more counties in the state.
- 231 ~~[(42)]~~ (43) "Participant" means one or more persons that enter into a participation agreement

- 232 with an agency.
- 233 [(43)] (44) "Participation agreement" means a written agreement between a person and an  
234 agency under Subsection 17C-1-202(5).
- 235 [(44)] (45) "Plan hearing" means the public hearing on a proposed project area plan required  
236 under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan, Subsection  
237 17C-3-102(1)(d) for an economic development project area plan, Subsection  
238 17C-4-102(1)(d) for a community development project area plan, or Subsection  
239 17C-5-104(3)(e) for a community reinvestment project area plan.
- 240 [(45)] (46) "Post-June 30, 1993, project area plan" means a project area plan adopted on or  
241 after July 1, 1993, and before May 10, 2016, whether or not amended [~~subsequent to~~]  
242 after the project area plan's adoption.
- 243 [(46)] (47) "Pre-July 1, 1993, project area plan" means a project area plan adopted before  
244 July 1, 1993, whether or not amended [~~subsequent to~~] after the project area plan's  
245 adoption.
- 246 [(47)] (48) "Private," with respect to real property, means property not owned by a public  
247 entity or any other governmental entity.
- 248 [(48)] (49) "Project area" means the geographic area described in a project area plan within  
249 which the project area development described in the project area plan takes place or is  
250 proposed to take place.
- 251 [(49)] (50) "Project area budget" means a multiyear projection of annual or cumulative  
252 revenues and expenses and other fiscal matters pertaining to a project area prepared in  
253 accordance with:
- 254 (a) for an urban renewal project area, Section 17C-2-201;  
255 (b) for an economic development project area, Section 17C-3-201;  
256 (c) for a community development project area, Section 17C-4-204; or  
257 (d) for a community reinvestment project area, Section 17C-5-302.
- 258 [(50)] (51) "Project area development" means activity within a project area that, as  
259 determined by the board, encourages, promotes, or provides development or  
260 redevelopment for the purpose of implementing a project area plan, including:
- 261 (a) promoting, creating, or retaining public or private jobs within the state or a  
262 community;  
263 (b) providing office, manufacturing, warehousing, distribution, parking, or other  
264 facilities or improvements;  
265 (c) planning, designing, demolishing, clearing, constructing, rehabilitating, or

- 266 remediate environmental issues;
- 267 (d) providing residential, commercial, industrial, public, or other structures or spaces,  
268 including recreational and other facilities incidental or appurtenant to the structures  
269 or spaces;
- 270 (e) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating  
271 existing structures;
- 272 (f) providing open space, including streets or other public grounds or space around  
273 buildings;
- 274 (g) providing public or private buildings, infrastructure, structures, or improvements;
- 275 (h) relocating a business;
- 276 (i) improving public or private recreation areas or other public grounds;
- 277 (j) eliminating a development impediment or the causes of a development impediment;
- 278 (k) redevelopment as defined under the law in effect before May 1, 2006; or
- 279 (l) any activity described in this [~~Subsection (50)~~] Subsection (51) outside of a project  
280 area that the board determines to be a benefit to the project area.

281 [~~(51)~~] (52) "Project area funds" means tax increment or sales and use tax revenue that an  
282 agency receives under a project area budget adopted by a taxing entity committee or an  
283 interlocal agreement.

284 [~~(52)~~] (53) "Project area funds collection period" means the period of time that:

- 285 (a) begins the day on which the first payment of project area funds is distributed to an  
286 agency under a project area budget approved by a taxing entity committee or an  
287 interlocal agreement; and
- 288 (b) ends the day on which the last payment of project area funds is distributed to an  
289 agency under a project area budget approved by a taxing entity committee or an  
290 interlocal agreement.

291 [~~(53)~~] (54) "Project area plan" means an urban renewal project area plan, an economic  
292 development project area plan, a community development project area plan, or a  
293 community reinvestment project area plan that, after the project area plan's effective  
294 date, guides and controls the project area development.

295 [~~(54)~~] (55)(a) "Property tax" means each levy on an ad valorem basis on tangible or  
296 intangible personal or real property.

297 (b) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4, Privilege  
298 Tax.

299 [~~(55)~~] (56) "Public entity" means:

- 300 (a) the United States, including an agency of the United States;  
 301 (b) the state, including any of the state's departments or agencies; or  
 302 (c) a political subdivision of the state, including a county, municipality, school district,  
 303 special district, special service district, community reinvestment agency, or interlocal  
 304 cooperation entity.

305 [(56)] (57) "Publicly owned infrastructure and improvements" means water, sewer, storm  
 306 drainage, electrical, natural gas, telecommunication, or other similar systems and lines,  
 307 streets, roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation  
 308 facilities, or other facilities, infrastructure, and improvements benefitting the public and  
 309 to be publicly owned or publicly maintained or operated.

310 [(57)] (58) "Record property owner" or "record owner of property" means the owner of real  
 311 property, as shown on the records of the county in which the property is located, to  
 312 whom the property's tax notice is sent.

313 [(58)] (59) "Sales and use tax revenue" means revenue that is:

- 314 (a) generated from a tax imposed under Title 59, Chapter 12, Sales and Use Tax Act; and  
 315 (b) distributed to a taxing entity in accordance with Sections 59-12-204 and 59-12-205.

316 [(59)] (60) "Superfund site":

317 (a) means an area included in the National Priorities List under the Comprehensive  
 318 Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sec.  
 319 9605; and

320 (b) includes an area formerly included in the National Priorities List, as described in [  
 321 ~~Subsection (59)(a)] Subsection (60)(a), but removed from the list following  
 322 remediation that leaves on site the waste that caused the area to be included in the  
 323 National Priorities List.~~

324 [(60)] (61) "Survey area" means a geographic area designated for study by a survey area  
 325 resolution to determine whether:

- 326 (a) one or more project areas within the survey area are feasible; or  
 327 (b) a development impediment exists within the survey area.

328 [(61)] (62) "Survey area resolution" means a resolution adopted by a board that designates a  
 329 survey area.

330 [(62)] (63) "Taxable value" means:

- 331 (a) the taxable value of all real property a county assessor assesses in accordance with  
 332 Title 59, Chapter 2, Part 3, County Assessment, for the current year;  
 333 (b) the taxable value of all real and personal property the commission assesses in

334 accordance with Title 59, Chapter 2, Part 2, Assessment of Property, for the current  
335 year; and

336 (c) the year end taxable value of all personal property a county assessor assesses in  
337 accordance with Title 59, Chapter 2, Part 3, County Assessment, contained on the  
338 prior year's tax rolls of the taxing entity.

339 [(63)] (64)(a) "Tax increment" means the difference between:

340 (i) the amount of property tax revenue generated each tax year by a taxing entity from  
341 the area within a project area designated in the project area plan as the area from  
342 which tax increment is to be collected, using the current assessed value of the  
343 property and each taxing entity's current [eertified] final tax rate as defined in  
344 Section [59-2-924] 17C-1-1001; and

345 (ii) the amount of property tax revenue that would be generated from that same area  
346 using the base taxable value of the property and each taxing entity's current [  
347 eertified] final tax rate as defined in Section [59-2-924] 17C-1-1001.

348 (b) "Tax increment" does not include taxes levied and collected under Section 59-2-1602  
349 on or after January 1, 1994, upon the taxable property in the project area unless:

350 (i) the project area plan was adopted before May 4, 1993, whether or not the project  
351 area plan was subsequently amended; and

352 (ii) the taxes were pledged to support bond indebtedness or other contractual  
353 obligations of the agency.

354 [(64)] (65) "Taxing entity" means a public entity that:

355 (a) levies a tax on property located within a project area; or

356 (b) imposes a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act.

357 [(65)] (66) "Taxing entity committee" means a committee representing the interests of  
358 taxing entities, created in accordance with Section 17C-1-402.

359 [(66)] (67) "Unincorporated" means not within a municipality.

360 [(67)] (68) "Urban renewal project area plan" means a project area plan adopted under  
361 Chapter 2, Part 1, Urban Renewal Project Area Plan.

362 [(68)] (69) "Veteran" means the same as that term is defined in Section 68-3-12.5.

363 Section 2. Section **17C-1-702** is amended to read:

364 **17C-1-702 . Project area dissolution -- Dormancy period extension --**

365 **Unexpended funds.**

366 (1) A project area is dissolved:

367 (a) except as provided in Subsection (2) or (3), on the day on which the dormancy period

- 368 ends; or
- 369 (b) eight years after the day on which an agency approved the project area if the project
- 370 area's collection period has not started.
- 371 (2) Before the day on which a dormancy period ends, an agency may extend the dormancy
- 372 period once, for a period not to exceed two years, if:
- 373 (a) the agency holds a public hearing to consider the extension, in accordance with Title
- 374 17C, Chapter 1, Part 8, Hearing and Notice Requirements;
- 375 (b) the agency adopts a resolution at the public hearing described in Subsection (2)(a)
- 376 that includes:
- 377 (i) the name of the project area;
- 378 (ii) a project area map or boundary description;
- 379 (iii) a description of the progress the agency has made implementing the project area
- 380 plan;
- 381 (iv) a description of the unique circumstances existing in the project area that require
- 382 that the dormancy period be extended; and
- 383 (v) the day on which the extended dormancy period will end and the project area will
- 384 be dissolved; and
- 385 (c) the community legislative body adopts an ordinance that includes the information
- 386 described in Subsection (2)(b).
- 387 ~~[(4)]~~ (3) Regardless of when a project area ~~[funds collection]~~ dormancy period ends, ~~[the~~
- 388 ~~project area remains in existence until]~~ an agency may dissolve a project area early if:
- 389 (a) the agency adopts a resolution dissolving the project area~~[-and]~~ that includes:
- 390 (i) the name of the project area; and
- 391 (ii) a project area map or boundary description; and
- 392 (b) the community legislative body adopts an ordinance dissolving the project area that
- 393 includes the information described in Subsection (3)(a).
- 394 ~~[(2) The ordinance described in Subsection (1)(b) shall include:]~~
- 395 ~~[(a) the name of the project area; and]~~
- 396 ~~[(b) a project area map or boundary description.]~~
- 397 ~~[(3)]~~ (4) Within 30 days after the day on which the community legislative body adopts an
- 398 ordinance described in ~~[Subsection (1)(b)]~~ Subsection (2)(c) or (3)(b), the community
- 399 legislative body shall:
- 400 (a) submit a copy of the ordinance to the county recorder of the county in which the~~]~~
- 401 ~~dissolved]~~ project area is located; and

402 (b) mail or electronically submit a copy of the ordinance to the county auditor, the State  
 403 Tax Commission, the State Board of Education, and each taxing entity that levies or  
 404 imposes a tax on property within the~~[-dissolved]~~ project area.

405 [(4)(a) As used in this Subsection (4), "dormancy period" means a period that ends the  
 406 later of:]

407 [(i) five years after the project area funds collection period ends; and]

408 [(ii) five years after the effective date of this section.]

409 [(b)]

410 (5) An agency with project area funds remaining at the end of the dormancy period shall [  
 411 use the unexpended funds as provided in Subsection 17C-1-412(1)(b)] return a  
 412 proportionate share of the unexpended funds to each taxing entity.

413 (6) Notwithstanding Subsections (1) and (2), a project area that allocated project area funds  
 414 and began a dormancy period before May 6, 2026, shall:

415 (a) be dissolved five years after the day on which the project area began the dormancy  
 416 period; and

417 (b) distribute any unexpended funds in accordance with Subsection (5).

418 Section 3. Section **17C-1-803** is amended to read:

419 **17C-1-803 . Continuing a hearing.**

420 Subject to Section 17C-1-804, the board may continue:

421 (1) a development impediment hearing;

422 (2) a plan hearing;

423 (3) a budget hearing; [or]

424 (4) a dormancy period extension hearing; or

425 [(4)] (5) a combined hearing under Section 17C-1-802.

426 Section 4. Section **17C-1-805** is amended to read:

427 **17C-1-805 . Agency to provide notice of hearings.**

428 (1) Each agency shall provide notice, in accordance with this part, of each:

429 (a) development impediment hearing;

430 (b) plan hearing; [or]

431 (c) budget hearing; or

432 (d) dormancy period extension hearing.

433 (2) The notice required under Subsection (1) may be combined with the notice required for  
 434 any of the other hearings if the hearings are combined under Section 17C-1-802.

435 Section 5. Section **17C-1-810** is enacted to read:

436 **17C-1-810 . Additional requirements for notice of a dormancy period extension**  
437 **hearing.**

438 Each notice under Section 17C-1-806 of a dormancy period extension hearing shall  
439 include a statement that an individual who objects to the proposed dormancy period extension  
440 may appear before the board at the hearing to explain why the individual believes the proposed  
441 dormancy period should not be extended.

442 Section 6. Section **17C-5-306** is amended to read:

443 **17C-5-306 . Amending a community reinvestment project area budget.**

- 444 (1) Except as provided in Section 17C-1-1002 and before a project area funds collection  
445 period ends, an agency may amend a community reinvestment project area budget in  
446 accordance with this section.
- 447 (2) To amend a community reinvestment project area budget, an agency shall:
- 448 (a) provide notice and hold a public hearing on the proposed amendment in accordance  
449 with Chapter 1, Part 8, Hearing and Notice Requirements;
- 450 (b)(i) if the community reinvestment project area budget required approval from a  
451 taxing entity committee, obtain the taxing entity committee's approval; or  
452 (ii) if the community reinvestment project area budget required an interlocal  
453 agreement with a taxing entity, obtain approval from the taxing entity that is a  
454 party to the interlocal agreement; and
- 455 (c) at the public hearing described in Subsection (2)(a) or at a subsequent board meeting,  
456 by resolution, adopt the community reinvestment project area budget amendment.
- 457 (3) If an agency proposes a community reinvestment project area budget amendment under  
458 which the agency is paid a greater proportion of tax increment from the community  
459 reinvestment project area than provided under the community reinvestment project area  
460 budget, the notice described in Subsection (2)(a) shall state:
- 461 (a) the percentage of tax increment paid under the community reinvestment project area  
462 budget; and
- 463 (b) the proposed percentage of tax increment paid under the community reinvestment  
464 project area budget amendment.
- 465 (4)(a) If an agency proposes a community reinvestment project area budget amendment  
466 that extends a project area funds collection period, before a taxing entity committee  
467 or taxing entity may provide the taxing entity committee's or taxing entity's approval  
468 described in Subsection (2)(b), the agency shall provide to the taxing entity  
469 committee or taxing entity:

- 470 (i) the reasons why the extension is required;
- 471 (ii) a description of the project area development for which project area funds  
472 received by the agency under the extension will be used;
- 473 (iii) a statement of whether the project area funds received by the agency under the  
474 extension will be used within an [active] approved project area or a proposed  
475 project area; and
- 476 (iv) a revised community reinvestment project area budget that includes:
- 477 (A) the annual and total amounts of project area funds that the agency receives  
478 under the extension; and
- 479 (B) the number of years that are added to each project area funds collection period  
480 under the extension.
- 481 (b) With respect to an amendment described in Subsection (4)(a), a taxing entity  
482 committee or taxing entity may consent to:
- 483 (i) allow an agency to use project area funds received under an extension within a  
484 different project area from which the project area funds are generated; or
- 485 (ii) alter the base taxable value in connection with a community reinvestment project  
486 area budget extension.
- 487 (5) If an agency proposes a community reinvestment project area budget amendment that  
488 reduces the base taxable value of the project area due to the removal of a parcel under  
489 Subsection 17C-5-112(5)(b), an agency may amend a project area budget without:
- 490 (a) complying with Subsection (2)(a); and
- 491 (b) obtaining taxing entity committee or taxing entity approval described in Subsection  
492 (2)(b).
- 493 (6)(a) A person may contest an agency's adoption of a community reinvestment project  
494 area budget amendment within 30 days after the day on which the agency adopts the  
495 community reinvestment project area budget amendment.
- 496 (b) After the 30-day period described in Subsection (6)(a), a person may not contest:
- 497 (i) the agency's adoption of the community reinvestment project area budget  
498 amendment;
- 499 (ii) a payment to the agency under the community reinvestment project area budget  
500 amendment; or
- 501 (iii) the agency's use of project area funds received under the community  
502 reinvestment project area budget amendment.

503 **Section 7. Effective Date.**

504      This bill takes effect on May 6, 2026.