

HB0507S01 compared with HB0507

{Omitted text} shows text that was in HB0507 but was omitted in HB0507S01

inserted text shows text that was not in HB0507 but was inserted into HB0507S01

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**State Coordination of Regional and Local
Economic Development Projects Amendments
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Calvin Roberts
Senate Sponsor:**



2

3 **LONG TITLE**

4 **General Description:**

5 This bill addresses local and regional economic development projects and related provisions.

7 **Highlighted Provisions:**

8 This bill:

- 9 ▶ defines terms and modifies definitions;
- 10 ▶ prohibits a political subdivision from providing an incentive to a large load customer, with exceptions;
- 8 ▶ establishes the State Reinvestment Restricted Account (account);
- 13 ▶ describes the potential uses for money in the account;
- 9 ▶ directs the Utah Inland Port Authority to deposit certain revenues into the account;
- 10 ▶ modifies certain requirements for a public infrastructure district;
- 11 ▶ provides a process for the dissolution of a public infrastructure district;
- 12 ▶

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requires the disclosure of the expected {~~expected~~} annual cost of a public infrastructure district's {~~final~~} certified tax rate, as shown on the last equalized assessment rolls, in the conveyance of residential real property, if applicable;

- 20 ▶ creates the optional County Energy Excise Tax;
- 15 ▶ requires the State Tax Commission to deposit revenue, in certain circumstances, into the account;
- 17 ▶ creates a process for a county or city to propose a regionally significant development zone (zone) and for a committee to approve the creation of a zone;
- 19 ▶ authorizes a zone to capture and utilize certain forms of tax increment;
- 20 ▶ {~~authorizes a county to levy an energy tax within a zone, under certain circumstances;~~}
- 21 ▶ describes how a zone will be managed, including how a community reinvestment agency (agency) will manage zone funds, prepare zone budgets, conduct zone audits, and make biennial reports;
- 24 ▶ describes the circumstances in which an agency shall transfer a percentage of zone revenue into the account;
- 26 ▶ provides that a housing and transit reinvestment zone, first home investment zone, home ownership promotion zone, or major sporting event venue zone may not be created after January 1, 2028;
- 29 ▶ {~~requires the Governor's Office of Economic Opportunity (GOEO) to collect certain information from a regional economic development authority about the use of tax increment;~~}
- 32 ▶ {~~requires GOEO to maintain, or cause to be maintained, a public-facing website where information about local and regional use of tax increment may be found;~~}
- 34 ▶ modifies the prohibition on local government offering a financial incentive for an energy development project outside an electrical energy development zone; and
- 36 ▶ makes technical and conforming changes.

37 **Money Appropriated in this Bill:**

38 None

39 **Other Special Clauses:**

40 None

41 **Utah Code Sections Affected:**

42 AMENDS:

43 **10-21-501** , as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 15

45 **11-41-102** , as last amended by Laws of Utah 2025, First Special Session, Chapter 16

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46 **11-58-102** , as last amended by Laws of Utah 2024, Chapters 53, 438 and 535
47 **11-58-602** , as last amended by Laws of Utah 2025, Chapter 459
48 **17-80-501** , as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 14
50 **17B-2a-1302** , as enacted by Laws of Utah 2024, Chapter 388
51 **17C-1-102** , as last amended by Laws of Utah 2025, First Special Session, Chapter 16
52 **17C-1-409 , as last amended by Laws of Utah 2025, First Special Session, Chapter 16**
53 **17C-1-603** , as last amended by Laws of Utah 2025, Chapter 480
54 **17D-4-201** , as last amended by Laws of Utah 2025, Chapter 347
55 **17D-4-202** , as last amended by Laws of Utah 2025, Chapter 347
56 **17D-4-202.1** , as enacted by Laws of Utah 2025, Chapter 29
57 **17D-4-203** , as last amended by Laws of Utah 2025, Chapter 498
58 **17D-4-204** , as last amended by Laws of Utah 2025, Chapter 347
59 **59-1-306** , as last amended by Laws of Utah 2025, Chapter 258
60 **59-2-924** , as last amended by Laws of Utah 2025, First Special Session, Chapter 15
59 ~~**{59-12-205 , as last amended by Laws of Utah 2025, Chapters 490, 495}**~~
61 **63N-3-604** , as last amended by Laws of Utah 2025, Chapter 29
62 **63N-3-605** , as last amended by Laws of Utah 2025, Chapter 29
63 **63N-3-1603** , as enacted by Laws of Utah 2024, Chapter 537
64 **79-6-1104** , as enacted by Laws of Utah 2025, Chapter 375

65 ENACTS:

66 **11-41-201 , Utah Code Annotated 1953**
67 **11-41-202 , Utah Code Annotated 1953**
68 **11-58-607** , Utah Code Annotated 1953
66 ~~**{17-78-1201 , Utah Code Annotated 1953}**~~
69 **17C-6-101** , Utah Code Annotated 1953
70 **17C-6-102** , Utah Code Annotated 1953
71 **17C-6-201** , Utah Code Annotated 1953
72 **17C-6-202** , Utah Code Annotated 1953
73 **17C-6-203** , Utah Code Annotated 1953
74 **17C-6-301** , Utah Code Annotated 1953
75 **17C-6-401** , Utah Code Annotated 1953

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76 **17C-6-402** , Utah Code Annotated 1953
77 **17C-6-403** , Utah Code Annotated 1953
78 **17C-6-404** , Utah Code Annotated 1953
79 **17D-4-401** , Utah Code Annotated 1953
80 **51-9-1001** , Utah Code Annotated 1953
81 **51-9-1002** , Utah Code Annotated 1953
82 **51-9-1003** , Utah Code Annotated 1953
83 **57-1-49** , Utah Code Annotated 1953
84 **59-35-101** , Utah Code Annotated 1953
85 **59-35-201** , Utah Code Annotated 1953
86 **59-35-202** , Utah Code Annotated 1953
87 **59-35-301** , Utah Code Annotated 1953
88 **63N-3a-101** , Utah Code Annotated 1953
89 **63N-3a-102** , Utah Code Annotated 1953
90 **63N-3a-103** , Utah Code Annotated 1953
91 **63N-3a-104** , Utah Code Annotated 1953
92 **63N-3a-105** , Utah Code Annotated 1953
93 **63N-3a-201** , Utah Code Annotated 1953
94 **63N-3a-202** , Utah Code Annotated 1953
95 **63N-3a-203** , Utah Code Annotated 1953
96 **63N-3a-204** , Utah Code Annotated 1953
97 **63N-3a-205** , Utah Code Annotated 1953
98 **63N-3a-206** , Utah Code Annotated 1953
99 **63N-3a-207** , Utah Code Annotated 1953
100 **63N-3a-208** , Utah Code Annotated 1953
93 ~~**63N-3a-209** , Utah Code Annotated 1953~~
101 **63N-3a-301** , Utah Code Annotated 1953
102 **63N-3a-302** , Utah Code Annotated 1953
103 **63N-3a-303** , Utah Code Annotated 1953
104 **63N-3a-304** , Utah Code Annotated 1953
105 **63N-3a-401** , Utah Code Annotated 1953

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106 63N-3a-402 , Utah Code Annotated 1953

107 **63N-3a-403 , Utah Code Annotated 1953**

108 63N-3a-501 , Utah Code Annotated 1953

109 REPEALS:

110 **11-41-101 , as enacted by Laws of Utah 2004, Chapter 283**

111

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

113 Section 1. Section **10-21-501** is amended to read:

114 **10-21-501. Municipal designation of a home ownership promotion zone.**

105 (1) Subject to the requirements of Sections 10-21-502 and 10-21-503, a municipality may create a home
ownership promotion zone[-] :

107 (a) before January 1, 2028; and

108 (b) as described in this section.

109 (2) A home ownership promotion zone created under this section:

110 (a) is an area of 10 contiguous acres or less located entirely within the boundaries of the municipality,
zoned for fewer than six housing units per acre before the creation of the home ownership
promotion zone;

113 (b) shall be re-zoned for at least six housing units per acre; and

114 (c) may not be encumbered by any residential building permits as of the day on which the home
ownership promotion zone is created.

116 (3)

(a) The municipality shall designate the home ownership promotion zone by resolution of the legislative
body of the municipality, passed or adopted in a public meeting of the legislative body of the
municipality, following:

119 (i) the recommendation of the municipality planning commission; and

120 (ii) the notification requirements described in Section 10-21-503.

121 (b) The resolution described in Subsection (3)(a) shall describe how the home ownership promotion
zone created in accordance with this section meets the objectives and requirements in Section
10-21-502.

124 (c) The home ownership promotion zone is created on the effective date of the resolution described in
Subsection (3)(a).

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- 126 (4) If a home ownership promotion zone is created as described in this section:
127 (a) affected local taxing entities are required to participate according to the requirements of the home
ownership promotion zone established by the municipality; and
129 (b) each affected taxing entity is required to participate at the same rate.
- 130 (5) A home ownership promotion zone may be modified by the same manner it is created as described
in Subsection (3).
- 132 (6) Within 30 days after the day on which the municipality creates the home ownership promotion zone
as described in Subsection (3), the municipality shall:
- 134 (a) record with the recorder of the county in which the home ownership promotion zone is located a
document containing:
- 136 (i) a description of the land within the home ownership promotion zone; and
137 (ii) the date of creation of the home ownership promotion zone;
- 138 (b) transmit a copy of the description of the land within the home ownership promotion zone and an
accurate map or plat indicating the boundaries of the home ownership promotion zone to the Utah
Geospatial Resource Center created under Section 63A-16-505; and
- 142 (c) transmit a map and description of the land within the home ownership promotion zone to:
- 144 (i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any part of the home
ownership promotion zone is located;
- 146 (ii) the officer or officers performing the function of auditor or assessor for each taxing entity that does
not use the county assessment roll or collect the taxing entity's taxes through the county;
- 149 (iii) the legislative body or governing board of each taxing entity impacted by the home ownership
promotion zone;
- 151 (iv) the tax commission; and
152 (v) the State Board of Education.
- 153 (7) A municipality may receive tax increment and use home ownership promotion zone funds as
described in Section 10-21-504.
- 155 (8) A home ownership promotion zone created before January 1, 2028, continues to exist, as described
in this part, and shall comply with the provisions of this part until dissolved.

Section 2. Section 11-41-102 is amended to read:

CHAPTER 41. Prohibited Local Economic Development Incentives

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Part 1. Prohibition on Retail Facility Incentive Payments Act

170 **11-41-102. Definitions.**

As used in this [chapter] part:

- 172 (1) "Agreement" means an oral or written agreement between a public entity and a person.
- 173 (2) "Business entity" means a sole proprietorship, partnership, limited partnership, limited liability
company, corporation, or other entity or association used to carry on a business for profit.
- 176 (3) "Determination of violation" means a determination by the Governor's Office of Economic
Opportunity of substantial likelihood that a retail facility incentive payment has been made in
violation of Section 11-41-103, in accordance with Section 11-41-104.
- 179 (4) "Environmental mitigation" means an action or activity intended to remedy known negative impacts
to the environment.
- 181 (5) "Executive director" means the executive director of the Governor's Office of Economic
Opportunity.
- 183 (6) "General plan" means the same as that term is defined in Section 23A-6-101.
- 184 (7) "Legislative body" means the same as that term is defined in:
- 185 (a) Section 10-20-102; or
- 186 (b) Section 17-79-102.
- 187 (8) "Mixed-use development" means development with mixed land uses, including housing.
- 188 (9) "Moderate income housing" means housing occupied or reserved for occupancy by households with
a gross household income equal to or less than 80% of the median gross income for households of
the same size in the county in which the housing is located.
- 191 (10) "Moderate income housing plan" means the moderate income housing plan element of a general
plan.
- 193 (11) "Office" means the Governor's Office of Economic Opportunity.
- 194 (12) "Political subdivision" means any county, city, town, school district, special district, special service
district, community reinvestment agency, or entity created by an interlocal agreement adopted under
Chapter 13, Interlocal Cooperation Act.
- 197 (13) "Public entity" means:
- 198 (a) a political subdivision;
- 199

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- (b) a department, commission, board, council, agency, institution, officer, corporation, fund, division, office, committee, authority, laboratory, library, unit, bureau, panel, or other administrative unit of the executive branch of the state;
- 202 (c) an institution of higher education as defined in Section 53H-1-101;
- 203 (d) the Military Installation Development Authority created in Section 63H-1-201;
- 204 (e) the Utah Inland Port Authority created in Section 11-58-201; or
- 205 (f) the Point of the Mountain State Land Authority created in Section 11-59-201.
- 206 (14) "Public funds" means any money received by a public entity that is derived from:
- 207 (a) a sales and use tax authorized under Title 59, Chapter 12, Sales and Use Tax Act; or
- 208 (b) a property tax levy.
- 209 (15) "Public infrastructure" means:
- 210 (a) a public facility, as defined in Section 11-36a-102;
- 211 (b) a system improvement, as defined in Section 11-36a-102; or
- 212 (c) infrastructure developed with public funds included as part of an infrastructure master plan related to a general plan.
- 214 (16) "Retail facility" means any facility operated by a business entity for the primary purpose of making retail transactions.
- 216 (17) "Retail facility incentive payment" means a payment of public funds:
- 217 (a) to a person by a public entity;
- 218 (b) for the development, construction, renovation, or operation of a retail facility within an area of the state; and
- 220 (c) in the form of:
- 221 (i) a payment;
- 222 (ii) a rebate;
- 223 (iii) a refund;
- 224 (iv) a subsidy; or
- 225 (v) any other similar incentive, award, or offset.
- 226 (18) "Retail transaction" means any transaction subject to a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act.
- 228 (19)
- (a) "Small business" means a business entity that:

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- 229 (i) has fewer than 30 full-time equivalent employees; and
230 (ii) maintains the business entity's principal office in the state.
231 (b) "Small business" does not include:
232 (i) a franchisee, as defined in 16 C.F.R. Sec. 436.1;
233 (ii) a dealer, as defined in Section 41-1a-102; or
234 (iii) a subsidiary or affiliate of another business entity that is not a small business.

235 Section 3. Section 3 is enacted to read:

236 Part 2. Prohibition on Tax Increment Incentives for Large Load Customers Act

237 11-41-201. Definitions.

As used in this part:

- 239 (1) "Incentive" means a payment of public funds, funded by tax increment:
240 (a) from a political subdivision to a person;
241 (b) for the development, construction, renovation, operating, or citing of a large load customer or
qualifying data center within an area of the state; and
243 (c) in the form of:
244 (i) a payment, rebate, refund, subsidy, or other similar incentive, award, or offset; or
245 (ii) a payment of public funds for the development, construction, renovation, or operation of public
infrastructure and improvements that wholly or primarily support a large load customer.
248 (2) "Large load customer" means the same as that term is defined in Section 54-26-101.
249 (3) "Political subdivision" means any county, municipality, special district, special service district,
public infrastructure district, community reinvestment agency, or entity created by an interlocal
agreement adopted under Chapter 13, Interlocal Cooperation Act.
252 (4)
(a) "Public infrastructure and improvements" means infrastructure, improvements, facilities, or
buildings that:
254 (i)
(A) benefit the public and are owned by a public entity or a utility; or
255 (B) benefit the public and are publicly maintained or operated by a public entity; or
256 (ii) are privately owned.
257 (b) "Public infrastructure and improvements" includes:
258 (i) facilities, lines, or systems that provide:

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- 259 (A) water, chilled water, or steam; or
- 260 (B) sewer, storm drainage, natural gas, electricity, energy storage, clean energy, microgrids, or
telecommunications service; and
- 262 (ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking facilities, rail lines,
intermodal facilities, multimodal facilities, and public transportation facilities.
- 265 (5) "Tax increment" means the same as that term is defined in Section 59-2-924.
- 266 Section 4. Section 4 is enacted to read:
- 267 **11-41-202. Political subdivisions prohibited from providing incentives -- Exceptions.**
- 269 (1)
- (a) Beginning on May 6, 2026, except as provided in Subsections (1)(b) and (2), a political subdivision
may not provide an incentive to a large load customer.
- 271 (b) A municipality or county, or agency created by a municipality or county, may provide an incentive
to a large load customer:
- 273 (i) only if the large load customer is located within a regionally significant development zone, as
described in Title 63N, Chapter 3a, Part 4, Regionally Significant Zones with Energy Implications;
and
- 276 (ii) with regionally significant development zone funds described in Section 63N-3a-403.
- 278 (c) A local sales and use tax exemption described in Section 59-12-104 does not constitute an incentive.
- 280 (2) A political subdivision that entered into an agreement to provide an incentive to a large load
customer before May 6, 2026:
- 282 (a) may continue to provide the incentive according to the terms of the political subdivision's
agreement;
- 284 (b) may not extend the term of the agreement; and
- 285 (c) may not increase the value of the incentive under the agreement.
- 286 Section 5. Section 11-58-102 is amended to read:
- 287 **11-58-102. Definitions.**
- As used in this chapter:
- 160 (1) "Authority" means the Utah Inland Port Authority, created in Section 11-58-201.
- 161 (2) "Authority jurisdictional land" means land within the authority boundary delineated:
- 162 (a) in the electronic shapefile that is the electronic component of H.B. 2001, Utah Inland Port Authority
Amendments, 2018 Second Special Session; and

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- 164 (b) beginning April 1, 2020, as provided in Subsection 11-58-202(3).
165 (3) "Base taxable value" means:
166 (a)
167 (i) except as provided in Subsection (3)(a)(ii), for a project area that consists of the authority
jurisdictional land, the taxable value of authority jurisdictional land in calendar year 2018; and
169 (ii) for an area described in Section 11-58-600.7, the taxable value of that area in calendar year 2017; or
171 (b) for a project area that consists of land outside the authority jurisdictional land, the taxable value
of property within any portion of a project area, as designated by board resolution, from which the
property tax differential will be collected, as shown upon the assessment roll last equalized before
the year in which the authority adopts a project area plan for that area.
- 176 (4) "Board" means the authority's governing body, created in Section 11-58-301.
177 (5) "Business plan" means a plan designed to facilitate, encourage, and bring about development
of the authority jurisdictional land to achieve the goals and objectives described in Subsection
11-58-203(1), including the development and establishment of an inland port.
- 181 (6) "Contaminated land" means land:
182 (a) within a project area; and
183 (b) that contains hazardous materials, as defined in Section 19-6-302, hazardous substances, as defined
in Section 19-6-302, or landfill material on, in, or under the land.
- 186 (7) "Development" means:
187 (a) the demolition, construction, reconstruction, modification, expansion, or improvement of a building,
utility, infrastructure, landscape, parking lot, park, trail, recreational amenity, or other facility,
including public infrastructure and improvements; and
191 (b) the planning of, arranging for, or participation in any of the activities listed in Subsection (7)(a).
- 193 (8) "Development project" means a project for the development of land within a project area.
195 (9) "Distribution center" means a building that is:
196 (a) used for the storage, sorting, and distribution of goods intended for sale; and
197 (b) not associated with or operated in conjunction with an adjacent manufacturing facility.
199 (10) "Inland port" means one or more sites that:
200 (a) contain multimodal facilities, intermodal facilities, or other facilities that:
201 (i) are related but may be separately owned and managed; and
202 (ii) together are intended to:

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- 203 (A) allow global trade to be processed and altered by value-added services as goods move through the
supply chain;
- 205 (B) provide a regional merging point for transportation modes for the distribution of goods to and from
ports and other locations in other regions;
- 207 (C) provide cargo-handling services to allow freight consolidation and distribution, temporary storage,
customs clearance, and connection between transport modes; and
- 210 (D) provide international logistics and distribution services, including freight forwarding, customs
brokerage, integrated logistics, and information systems; and
- 213 (b) may include a satellite customs clearance terminal, an intermodal facility, a customs pre-clearance
for international trade, or other facilities that facilitate, encourage, and enhance regional, national,
and international trade.
- 216 (11) "Inland port use" means a use of land:
- 217 (a) for an inland port;
- 218 (b) that directly implements or furthers the purposes of an inland port, as stated in Subsection (10);
- 220 (c) that complements or supports the purposes of an inland port, as stated in Subsection (10); or
- 222 (d) that depends upon the presence of the inland port for the viability of the use.
- 223 (12) "Intermodal facility" means a facility for transferring containerized cargo between rail, truck, air,
or other transportation modes.
- 225 (13) "Landfill material" means garbage, waste, debris, or other materials disposed of or placed in a
landfill.
- 227 (14) "Multimodal facility" means a hub or other facility for trade combining any combination of rail,
trucking, air cargo, and other transportation services.
- 229 (15) "Nonvoting member" means an individual appointed as a member of the board under Subsection
11-58-302(3) who does not have the power to vote on matters of authority business.
- 232 (16) "Project area" means:
- 233 (a) the authority jurisdictional land, subject to Section 11-58-605; or
- 234 (b) land outside the authority jurisdictional land, whether consisting of a single contiguous area or
multiple noncontiguous areas, described in a project area plan or draft project area plan, where the
development project set forth in the project area plan or draft project area plan takes place or is
proposed to take place.

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- (17) "Project area budget" means a multiyear projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to the project area.
- 240 (18) "Project area plan" means a written plan that, after its effective date, guides and controls the development within a project area.
- 242 (19) "Property tax" includes a privilege tax and each levy on an ad valorem basis on tangible or intangible personal or real property.
- 244 (20) "Property tax differential":
- 245 (a) means the difference between:
- 246 (i) the amount of property tax revenues generated each tax year by all taxing entities from a project area, using the current assessed value of the property; and
- 248 (ii) the amount of property tax revenues that would be generated from that same area using the base taxable value of the property; and
- 250 (b) does not include property tax revenue from:
- 251 (i) a county additional property tax or multicounty assessing and collecting levy imposed in accordance with Section 59-2-1602;
- 253 (ii) a judgment levy imposed by a taxing entity under Section 59-2-1328 or 59-2-1330; or
- 255 (iii) a levy imposed by a taxing entity under Section 11-14-310 to pay for a general obligation bond.
- 257 (21) "Public entity" means:
- 258 (a) the state, including each department, division, or other agency of the state; or
- 259 (b) a county, city, town, school district, special district, special service district, interlocal cooperation entity, community reinvestment agency, or other political subdivision of the state, including the authority.
- 262 (22)
- (a) "Public infrastructure and improvements" means infrastructure, improvements, facilities, or buildings that:
- 264 (i)
- (A) benefit the public and are owned by a public entity or a utility; or
- 265 (B) benefit the public and are publicly maintained or operated by a public entity; or
- 266 (ii)
- (A) are privately owned;
- 267 (B) benefit the public;

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- 268 (C) as determined by the board, provide a substantial benefit to the development and operation of a
project area; and
- 270 (D) are built according to applicable county or municipal design and safety standards.
- 272 (b) "Public infrastructure and improvements" includes:
- 273 (i) facilities, lines, or systems that provide:
- 274 (A) water, chilled water, or steam; or
- 275 (B) sewer, storm drainage, natural gas, electricity, energy storage, clean energy, microgrids, or
telecommunications service;
- 277 (ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking facilities, rail lines,
intermodal facilities, multimodal facilities, and public transportation facilities;
- 280 (iii) an inland port; and
- 281 (iv) infrastructure, improvements, facilities, or buildings that are developed as part of a remediation
project.
- 283 (23) "Reinvestment account" means the State Reinvestment Restricted Account created in Section
~~{51-9-1001}~~ 51-9-1002.
- 285 ~~(24)~~ "Remediation" includes:
- 286 (a) activities for the cleanup, rehabilitation, and development of contaminated land; and
- 287 (b) acquiring an interest in land within a remediation project area.
- 288 ~~[(24)]~~ ~~(25)~~ "Remediation differential" means property tax differential generated from a remediation
project area.
- 290 ~~[(25)]~~ ~~(26)~~ "Remediation project" means a project for the remediation of contaminated land that:
- 292 (a) is owned by:
- 293 (i) the state or a department, division, or other instrumentality of the state;
- 294 (ii) an independent entity, as defined in Section 63E-1-102; or
- 295 (iii) a political subdivision of the state; and
- 296 (b) became contaminated land before the owner described in Subsection ~~[(24)(a)]~~ ~~(26)(a)~~ obtained
ownership of the land.
- 298 ~~[(26)]~~ ~~(27)~~ "Remediation project area" means a project area consisting of contaminated land that is or is
expected to become the subject of a remediation project.
- 300 ~~[(27)]~~ ~~(28)~~ "Shapefile" means the digital vector storage format for storing geometric location and
associated attribute information.

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- 302 [~~(28)~~] (29) "Taxable value" means the value of property as shown on the last equalized assessment roll.
- 304 [~~(29)~~] (30) "Taxing entity":
- 305 (a) means a public entity that levies a tax on property within a project area; and
- 306 (b) does not include a public infrastructure district that the authority creates under Title 17D, Chapter 4,
Public Infrastructure District Act.
- 308 [~~(30)~~] (31) "Voting member" means an individual appointed or designated as a member of the board
under Subsection 11-58-302(2).
- 439 Section 6. Section **11-58-602** is amended to read:
- 440 **11-58-602. Allowable uses of property tax differential and other funds.**
- 312 (1)
- (a) The authority may use money from property tax differential, money the authority receives from
the state, money the authority receives under Subsection 59-12-205(2)(a)(ii)(C), and other money
available to the authority:
- 315 (i) for any purpose authorized under this chapter;
- 316 (ii) for administrative, overhead, legal, consulting, and other operating expenses of the authority;
- 318 (iii) to pay for, including financing or refinancing, all or part of the development of land within or
adjacent to a project area, including assisting the ongoing operation of a development or facility
within or adjacent to the project area;
- 321 (iv) to pay the cost of the installation and construction of public infrastructure and improvements
within the project area from which the property tax differential funds were collected;
- 324 (v) to pay the cost of the installation of public infrastructure and improvements outside a project
area if the board determines by resolution that the infrastructure and improvements are of
benefit to the project area;
- 327 (vi) to pay to a community reinvestment agency for affordable housing, as provided in Subsection
11-58-606(2);
- 329 (vii) to pay the principal and interest on bonds issued by the authority;
- 330 (viii) to pay the cost of acquiring land or an easement on land that is part of or adjacent to authority
jurisdictional land:
- 332 (A) for the perpetual preservation of the land from development; and
- 333 (B) to provide a buffer area between authority jurisdictional land intended for development and land
outside the boundary of the authority jurisdictional land; and

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- 336 (ix) subject to Subsection (1)(b), to encourage, incentivize, or require development that:
- 338 (A) mitigates noise, air pollution, light pollution, surface and groundwater pollution, and other negative
environmental impacts;
- 340 (B) mitigates traffic congestion; or
- 341 (C) uses high efficiency building construction and operation.
- 342 (b)
- (i)
- (A) The authority shall establish minimum mitigation and environmental standards that a
landowner is required to meet to qualify for the use of property tax differential under Subsection
(1)(a)(ix) in the landowner's development.
- 345 (B) Minimum mitigation and environmental standards established under Subsection (1)(b)(i)(A)
shall include a standard prohibiting the use of property tax differential as a business recruitment
incentive, as defined in Section 11-58-603, for new commercial or industrial development or an
expansion of existing commercial or industrial development within the authority jurisdictional
land if the new or expanded development will consume on an annual basis more than 200,000
gallons of potable water per day.
- 352 (ii) In establishing minimum mitigation and environmental standards, the authority shall consult with:
- 354 (A) the municipality in which the development is expected to occur, for development expected to occur
within a municipality; or
- 356 (B) the county in whose unincorporated area the development is expected to occur, for development
expected to occur within the unincorporated area of a county.
- 359 (iii) The authority may not use property tax differential under Subsection (1)(a)(viii) for a landowner's
development in a project area unless the minimum mitigation and environmental standards are
followed with respect to that landowner's development.
- 363 (2) The authority may use revenue generated from the operation of public infrastructure operated by the
authority or improvements, including an intermodal facility, operated by the authority to:
- 366 (a) operate and maintain the infrastructure or improvements; and
- 367 (b) pay for authority operating expenses, including administrative, overhead, and legal expenses.
- 369 (3) The determination of the board under Subsection (1)(a)(v) regarding benefit to the project area is
final.

371

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(4) [The] Subject to Subsection (7), the authority may not use property tax differential revenue collected from one project area for a development project within another project area.

374 (5)

(a) The authority may use up to 10% of the general differential revenue generated from a project area to pay for affordable housing within or near the project area.

376 (b) In using general differential revenue described in Subsection (5)(a), the authority may provide general differential revenue generated from a project area to a non-profit housing fund, as defined in Section 17C-1-102:

379 (i) for that non-profit housing fund to assist low-income individuals and families who would qualify for income targeted housing to achieve homeownership, or retain homeownership, within a 15 mile radius of the project area that generated the general differential revenue, in accordance with the mission of the non-profit housing fund; and

384 (ii) pursuant to an agreement between the non-profit housing fund and the authority governing appropriate uses of general differential revenue.

386 (6) The authority may share general differential funds with a taxing entity that levies a property tax on land within the project area from which the general differential is generated.

389 (7)

(a) For a project area adopted on or after {~~July 1,~~ September 30, 2026, the authority shall contribute at least 1% but no more than 5%, as determined by the board, of all tax differential revenue generated from the project area to the reinvestment account.

392 (b) In coordination with the authority, a county or municipality that is participating in a project area adopted before {~~July 1,~~ September 30, 2026, may designate a portion of the tax differential revenue generated in the project area that would otherwise be collected and used by the authority, not to exceed 5%, for contribution to the reinvestment account.

396 (c) The authority shall make a contribution described in this Subsection (7) annually or quarterly, as determined by the board.

528 Section 7. Section 7 is enacted to read:

529 **11-58-607. Revenue sharing agreements.**

400 (1)

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(a) Whenever a private entity's real estate development is supported by funding from the authority, authority staff {~~shall~~} may negotiate and enter into a revenue sharing agreement with the private entity.

403 (b) The revenue sharing agreement shall establish, at a minimum:

404 (i) a flat amount from or a percentage of the funds generated from the development that the private entity agrees to provide to the authority for contribution into the reinvestment account; and

407 (ii) if the authority and private entity agree on a percentage of funds:

408 (A) how often the private entity shall provide the percentage to the authority; and

409 (B) the amount of time the private entity shall provide the percentage to the authority.

411 (2)

(a) Following the remediation and development of land included in a remediation project area, as described in Section 11-58-605, the authority shall ensure that a percentage of the profits derived from private sector activities in the project area are deposited into the reinvestment account on an annual basis.

415 (b) The board, in consultation with the Office of the Legislative Fiscal Analyst, shall establish the percentage of profits described in Subsection (2)(a) for each remediation project area, which shall be no more than 50% of annual revenues from a remediation project area.

418 Section 5. Section 5 is enacted to read:

419 **17-78-1201. County energy tax.**

A county may levy a tax authorized under Section 10-1-304, the same as if the county were a municipality, for transactions that occur within:

422 (1) an unincorporated area of the county; and

423 (2) the sales and use tax boundary of a regionally significant development zone created in accordance with Title 63N, Chapter 3a, Part 2, Creation of Regionally Significant Development Zones.

549 Section 8. Section **17-80-501** is amended to read:

550 **17-80-501. County designation of a home ownership promotion zone.**

428 (1) Subject to Sections 17-80-502 and 17-80-503, a county may create a home ownership promotion zone:

430 (a) before January 1, 2028; and

431 (b) as described in this section.

432 (2) A home ownership promotion zone created under this section:

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- 433 (a) is an area of 10 contiguous unincorporated acres or less located entirely within the boundaries of the
county, zoned for fewer than six housing units per acre before the creation of the home ownership
promotion zone;
- 436 (b) shall be re-zoned for at least six housing units per acre; and
- 437 (c) may not be encumbered by any residential building permits as of the day on which the home
ownership promotion zone is created.
- 439 (3)
- (a) The county shall designate the home ownership promotion zone by resolution of the legislative body
of the county following:
- 441 (i) the recommendation of the county planning commission; and
- 442 (ii) the notification requirements described in Section 17-80-503.
- 443 (b) The resolution described in Subsection (3)(a) shall describe how the home ownership promotion
zone created in accordance with this section meets the objectives and requirements of Section
17-80-502.
- 446 (c) The home ownership promotion zone is created on the effective date of the resolution described in
Subsection (3)(a).
- 448 (4) If a home ownership promotion zone is created as described in this section:
- 449 (a) affected local taxing entities are required to participate according to the requirements of the home
ownership promotion zone established by the county; and
- 451 (b) each affected taxing entity is required to participate at the same rate.
- 452 (5) A home ownership promotion zone may be modified by the same manner it is created as described
in Subsection (3).
- 454 (6) Within 30 days after the day on which the county creates the home ownership promotion zone as
described in Subsection (3), the county shall:
- 456 (a) record with the recorder a document containing:
- 457 (i) a description of the land within the home ownership promotion zone; and
- 458 (ii) the date of creation of the home ownership promotion zone;
- 459 (b) transmit a copy of the description of the land within the home ownership promotion zone and an
accurate map or plat indicating the boundaries of the home ownership promotion zone to the Utah
Geospatial Resource Center created under Section 63A-16-505; and
- 463 (c) transmit a map and description of the land within the home ownership promotion zone to:

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- 465 (i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any part of the home
ownership promotion zone is located;
- 467 (ii) the officer or officers performing the function of auditor or assessor for each taxing entity that does
not use the county assessment roll or collect the taxing entity's taxes through the county;
- 470 (iii) the legislative body or governing board of each taxing entity impacted by the home ownership
promotion zone;
- 472 (iv) the tax commission; and
- 473 (v) the State Board of Education.
- 474 (7) A county may receive tax increment and use home ownership promotion zone funds as described in
Section 17-80-504.
- 476 (8) A home ownership promotion zone created before January 1, 2028, continues to exist, as described
in this part, and shall comply with the provisions of this part until dissolved.
- 601 Section 9. Section **17B-2a-1302** is amended to read:
- 602 **17B-2a-1302. Provisions applicable to infrastructure financing district -- Exceptions --
Conflicting provisions -- Contract for administrative services.**
- 481 (1) An infrastructure financing district is governed by and has the powers stated in:
- 482 (a) this part; and
- 483 (b) Chapter 1, Provisions Applicable to All Special Districts, except as provided in [~~Subsection (1)~~
(b)] {this section} Subsection (5).
- 485 (2)
- (a) Notwithstanding Subsection 17B-1-103(2)(f) and except as provided in Subsection (2)(b),
an infrastructure financing district may issue bonds only as provided in Title 11, Chapter 42,
Assessment Area Act, subject to Subsection (2)(b), and Title 11, Chapter 42a, Commercial Property
Assessed Clean Energy Act.
- 489 (b) If an infrastructure financing district is created to facilitate a regionally significant development
zone, as described in Title 17C, Chapter 6, Regionally Significant Development Zone Act, the
infrastructure financing district may issue negotiable bonds to pay all or part of the costs of
acquiring, acquiring an interest in, improving, or extending any of the improvements, facilities, or
property allowed under Section 11-14-103.
- 495 [~~(b)~~] (c) To the extent that the provisions of Title 11, Chapter 42, Assessment Area Act, apply to the use
of funds from an assessment or an assessment bond for infrastructure operation and maintenance

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costs or for the cost of conducting economic promotion activities, those provisions do not apply to an infrastructure financing district.

499 [(e)] (d) Before a county or municipality's final inspection required for the issuance of a certificate of
occupancy for a residential unit that is subject to an assessment levied by an infrastructure financing
district under Title 11, Chapter 42, Assessment Area Act, the infrastructure financing district shall
ensure that the assessment allocable to that unit is paid in full and that any assessment lien on that
unit is satisfied and released.

505 (3) Notwithstanding Subsection 17B-1-103(2)(h), an infrastructure financing district may not exercise
the power of eminent domain.

507 (4) This part applies only to an infrastructure financing district.

508 (5) If there is a conflict between a provision in Chapter 1, Provisions Applicable to All Special Districts,
and a provision in this part, the provision in this part governs.

510 (6) An infrastructure financing district may contract with another governmental entity for the other
governmental entity to provide administrative services to the infrastructure financing district.

636 Section 10. Section **17C-1-102** is amended to read:

637 **17C-1-102. Definitions.**

As used in this title:

516 (1) "Active project area" means a project area that has not been dissolved in accordance with Section
17C-1-702.

518 (2) "Adjusted tax increment" means the percentage of tax increment, if less than 100%, that an agency
is authorized to receive:

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

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

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

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

527 (3) "Affordable housing" means housing owned or occupied by a low or moderate income family, as
determined by resolution of the agency.

529

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

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

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

535 (c) that may, at the direction of the county or municipality that creates the agency, fulfill the duties described in Chapter 6, Regionally Significant Development Zones Act; and

538 [~~(e)~~] (d) whose geographic boundaries are coterminous with:

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

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

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

544 (a) project area funds;

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

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

550 (d) project area incremental revenue as defined in Section 17C-1-1001; or

551 (e) property tax revenue as defined in Section 17C-1-1001.

552 (6) "Annual income" means the same as that term is defined in regulations of the United States Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as amended or as superseded by replacement regulations.

555 (7) "Assessment roll" means the same as that term is defined in Section 59-2-102.

556 (8) "Base taxable value" means, unless otherwise adjusted in accordance with provisions of this title, a property's taxable value as shown upon the assessment roll last equalized during the base year.

559 (9) "Base year" means, except as provided in Subsection 17C-1-402(4)(c), the year during which the assessment roll is last equalized:

561 (a) for a pre-July 1, 1993, urban renewal or economic development project area plan, before the project area plan's effective date;

563

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- (b) for a post-June 30, 1993, urban renewal or economic development project area plan, or a community reinvestment project area plan that is subject to a taxing entity committee:
- 566 (i) before the date on which the taxing entity committee approves the project area budget; or
568 (ii) if taxing entity committee approval is not required for the project area budget, before the date on which the community legislative body adopts the project area plan;
- 571 (c) for a project on an inactive airport site, after the later of:
572 (i) the date on which the inactive airport site is sold for remediation and development; or
574 (ii) the date on which the airport that operated on the inactive airport site ceased operations; or
576 (d) for a community development project area plan or a community reinvestment project area plan that is subject to an interlocal agreement, as described in the interlocal agreement.
- 579 (10) "Basic levy" means the portion of a school district's tax levy constituting the minimum basic levy under Section 59-2-902.
- 581 (11) "Board" means the governing body of an agency, as described in Section 17C-1-203.
- 582 (12) "Budget hearing" means the public hearing on a proposed project area budget required under Subsection 17C-2-201(2)(d) for an urban renewal project area budget, Subsection 17C-3-201(2)(d) for an economic development project area budget, or Subsection 17C-5-302(2)(e) for a community reinvestment project area budget.
- 586 (13) "Closed military base" means land within a former military base that the Defense Base Closure and Realignment Commission has voted to close or realign when that action has been sustained by the president of the United States and Congress.
- 589 (14) "Combined incremental value" means the combined total of all incremental values from all project areas, except project areas that contain some or all of a military installation or inactive industrial site, within the agency's boundaries under project area plans and project area budgets at the time that a project area budget for a new project area is being considered.
- 594 (15) "Community" means a county or municipality.
- 595 (16) "Community development project area plan" means a project area plan adopted under Chapter 4, Part 1, Community Development Project Area Plan.
- 597 (17) "Community legislative body" means the legislative body of the community that created the agency.
- 599 (18) "Community reinvestment project area plan" means a project area plan adopted under Chapter 5, Part 1, Community Reinvestment Project Area Plan.

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- 601 (19) "Contest" means to file a written complaint in a court with jurisdiction under Title 78A, Judiciary
and Judicial Administration, and in a county in which the agency is located if the action is filed in
the district court.
- 604 (20) "Development impediment" means a condition of an area that meets the requirements described
in Section 17C-2-303 for an urban renewal project area or Section 17C-5-405 for a community
reinvestment project area.
- 607 (21) "Development impediment hearing" means a public hearing regarding whether a development
impediment exists within a proposed:
- 609 (a) urban renewal project area under Subsection 17C-2-102(1)(a)(i)(C) and Section 17C-2-302; or
611 (b) community reinvestment project area under Section 17C-5-404.
- 612 (22) "Development impediment study" means a study to determine whether a development impediment
exists within a survey area as described in Section 17C-2-301 for an urban renewal project area or
Section 17C-5-403 for a community reinvestment project area.
- 615 (23) "Economic development project area plan" means a project area plan adopted under Chapter 3, Part
1, Economic Development Project Area Plan.
- 617 (24) "Fair share ratio" means the ratio derived by:
- 618 (a) for a municipality, comparing the percentage of all housing units within the municipality that are
publicly subsidized income targeted housing units to the percentage of all housing units within the
county in which the municipality is located that are publicly subsidized income targeted housing
units; or
- 622 (b) for the unincorporated part of a county, comparing the percentage of all housing units within the
unincorporated county that are publicly subsidized income targeted housing units to the percentage
of all housing units within the whole county that are publicly subsidized income targeted housing
units.
- 626 (25) "Family" means the same as that term is defined in regulations of the United States Department of
Housing and Urban Development, 24 C.F.R. [~~Section~~] Sec. 5.403, as amended or as superseded by
replacement regulations.
- 629 (26) "Greenfield" means land not developed beyond agricultural, range, or forestry use.
- 630 (27) "Hazardous waste" means any substance defined, regulated, or listed as a hazardous substance,
hazardous material, hazardous waste, toxic waste, pollutant, contaminant, or toxic substance, or
identified as hazardous to human health or the environment, under state or federal law or regulation.

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- 634 (28) "Housing allocation" means project area funds allocated for housing under Section 17C-2-203,
17C-3-202, or 17C-5-307 for the purposes described in Section 17C-1-412.
- 636 (29) "Housing fund" means a fund created by an agency for purposes described in Section 17C-1-411 or
17C-1-412 that is comprised of:
- 638 (a) project area funds, project area incremental revenue as defined in Section 17C-1-1001, or property
tax revenue as defined in Section 17C-1-1001 allocated for the purposes described in Section
17C-1-411; or
- 641 (b) an agency's housing allocation.
- 642 (30)
- 643 (a) "Inactive airport site" means land that:
- 644 (i) consists of at least 100 acres;
- 645 (ii) is occupied by an airport:
- 646 (A)
- 647 (I) that is no longer in operation as an airport; or
- 648 (II)
- 649 (Aa) that is scheduled to be decommissioned; and
- 650 (Bb) for which a replacement commercial service airport is under construction; and
- 651 (B) that is owned or was formerly owned and operated by a public entity; and
- 652 (iii) requires remediation because:
- 653 (A) of the presence of hazardous waste or solid waste; or
- 654 (B) the site lacks sufficient public infrastructure and facilities, including public roads, electric service,
water system, and sewer system, needed to support development of the site.
- 655 (b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land described in
Subsection (30)(a).
- 657 (31)
- 658 (a) "Inactive industrial site" means land that:
- 659 (i) consists of at least 1,000 acres;
- 660 (ii) is occupied by an inactive or abandoned factory, smelter, or other heavy industrial facility; and
- 661 (iii) requires remediation because of the presence of hazardous waste or solid waste.
- 662 (b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land described in
Subsection (31)(a).

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- 664 (32) "Income targeted housing" means housing that is:
665 (a) owned and occupied by a family whose annual income is at or below 120% of the median annual
income for a family within the county in which the housing is located; or
668 (b) occupied by a family whose annual income is at or below 80% of the median annual income for a
family within the county in which the housing is located.
- 670 (33) "Incremental value" means a figure derived by multiplying the marginal value of the property
located within a project area on which tax increment is collected by a number that represents the
adjusted tax increment from that project area that is paid to the agency.
- 674 (34) "Loan fund board" means the Olene Walker Housing Loan Fund Board, established under Title
35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund.
- 676 (35)
(a) " Local government building" means a building owned and operated by a community for the
primary purpose of providing one or more primary community functions, including:
679 (i) a fire station;
680 (ii) a police station;
681 (iii) a city hall; or
682 (iv) a court or other judicial building.
- 683 (b) " Local government building" does not include a building the primary purpose of which is cultural
or recreational in nature.
- 685 (36) "Low-income individual" means the same as that term is defined in Section 35A-8-504.5.
- 687 (37) "Major transit investment corridor" means the same as that term is defined in Section 10-20-102.
- 689 (38) "Marginal value" means the difference between actual taxable value and base taxable value.
- 691 (39) "Military installation project area" means a project area or a portion of a project area located within
a federal military installation ordered closed by the federal Defense Base Realignment and Closure
Commission.
- 694 (40) "Municipality" means a city or town.
- 695 (41) "Non-profit housing fund" means:
696 (a) an organization that meets the definition of "housing organization" in Section 35A-8-2401;
698 (b) a registered nonprofit that assists veterans or individuals who work in public service to achieve
homeownership in the state;
700 (c) a registered nonprofit that:

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- 701 (i) assists low-income individuals or families who would qualify for income targeted housing to achieve
homeownership in the state; and
- 703 (ii) provides direct support to help a low-income individual or a family eligible for income targeted
housing to retain ownership of a home, including through rehabilitation services, lending for
rehabilitation, or foreclosure mitigation counseling that results in retention of the home, refinancing,
or a reverse mortgage;
- 707 (d) a registered nonprofit that partners with a community to promote affordable housing for the
workforce in that community; or
- 709 (e) a registered nonprofit established to administer housing programs on behalf of an association
representing 10 or more counties in the state.
- 711 (42) "Participant" means one or more persons that enter into a participation agreement with an agency.
- 713 (43) "Participation agreement" means a written agreement between a person and an agency under
Subsection 17C-1-202(5).
- 715 (44) "Plan hearing" means the public hearing on a proposed project area plan required under Subsection
17C-2-102(1)(a)(vi) for an urban renewal project area plan, Subsection 17C-3-102(1)(d) for
an economic development project area plan, Subsection 17C-4-102(1)(d) for a community
development project area plan, or Subsection 17C-5-104(3)(e) for a community reinvestment project
area plan.
- 720 (45) "Post-June 30, 1993, project area plan" means a project area plan adopted on or after July 1, 1993,
and before May 10, 2016, whether or not amended subsequent to the project area plan's adoption.
- 723 (46) "Pre-July 1, 1993, project area plan" means a project area plan adopted before July 1, 1993,
whether or not amended subsequent to the project area plan's adoption.
- 725 (47) "Private," with respect to real property, means property not owned by a public entity or any other
governmental entity.
- 727 (48) "Project area" means the geographic area described in a project area plan within which the project
area development described in the project area plan takes place or is proposed to take place.
- 730 (49) "Project area budget" means a multiyear projection of annual or cumulative revenues and expenses
and other fiscal matters pertaining to a project area prepared in accordance with:
- 733 (a) for an urban renewal project area, Section 17C-2-201;
- 734 (b) for an economic development project area, Section 17C-3-201;
- 735 (c) for a community development project area, Section 17C-4-204; or

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- 736 (d) for a community reinvestment project area, Section 17C-5-302.
- 737 (50) "Project area development" means activity within a project area that, as determined by the board,
encourages, promotes, or provides development or redevelopment for the purpose of implementing a
project area plan, including:
- 740 (a) promoting, creating, or retaining public or private jobs within the state or a community;
- 742 (b) providing office, manufacturing, warehousing, distribution, parking, or other facilities or
improvements;
- 744 (c) planning, designing, demolishing, clearing, constructing, rehabilitating, or remediating
environmental issues;
- 746 (d) providing residential, commercial, industrial, public, or other structures or spaces, including
recreational and other facilities incidental or appurtenant to the structures or spaces;
- 749 (e) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating existing structures;
- 751 (f) providing open space, including streets or other public grounds or space around buildings;
- 753 (g) providing public or private buildings, infrastructure, structures, or improvements;
- 754 (h) relocating a business;
- 755 (i) improving public or private recreation areas or other public grounds;
- 756 (j) eliminating a development impediment or the causes of a development impediment;
- 757 (k) redevelopment as defined under the law in effect before May 1, 2006; or
- 758 (l) any activity described in this Subsection (50) outside of a project area that the board determines to be
a benefit to the project area.
- 760 (51) "Project area funds" means tax increment or sales and use tax revenue that an agency receives
under a project area budget adopted by a taxing entity committee or an interlocal agreement.
- 763 (52) "Project area funds collection period" means the period of time that:
- 764 (a) begins the day on which the first payment of project area funds is distributed to an agency under a
project area budget approved by a taxing entity committee or an interlocal agreement; and
- 767 (b) ends the day on which the last payment of project area funds is distributed to an agency under a
project area budget approved by a taxing entity committee or an interlocal agreement.
- 770 (53) "Project area plan" means an urban renewal project area plan, an economic development project
area plan, a community development project area plan, or a community reinvestment project
area plan that, after the project area plan's effective date, guides and controls the project area
development.

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- 774 (54)
(a) "Property tax" means each levy on an ad valorem basis on tangible or intangible personal or real property.
- 776 (b) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4, Privilege Tax.
- 778 (55) "Public entity" means:
- 779 (a) the United States, including an agency of the United States;
- 780 (b) the state, including any of the state's departments or agencies; or
- 781 (c) a political subdivision of the state, including a county, municipality, school district, special district, special service district, community reinvestment agency, or interlocal cooperation entity.
- 784 (56) "Publicly owned infrastructure and improvements" means water, sewer, storm drainage, electrical, natural gas, telecommunication, or other similar systems and lines, streets, roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation facilities, or other facilities, infrastructure, and improvements benefitting the public and to be publicly owned or publicly maintained or operated.
- 789 (57) "Record property owner" or "record owner of property" means the owner of real property, as shown on the records of the county in which the property is located, to whom the property's tax notice is sent.
- 792 (58) "Sales and use tax revenue" means revenue that is:
- 793 (a) generated from a tax imposed under Title 59, Chapter 12, Sales and Use Tax Act; and
- 794 (b) distributed to a taxing entity in accordance with Sections 59-12-204 and 59-12-205.
- 795 (59) "Superfund site":
- 796 (a) means an area included in the National Priorities List under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sec. 9605; and
- 799 (b) includes an area formerly included in the National Priorities List, as described in Subsection (59)(a), but removed from the list following remediation that leaves on site the waste that caused the area to be included in the National Priorities List.
- 802 (60) "Survey area" means a geographic area designated for study by a survey area resolution to determine whether:
- 804 (a) one or more project areas within the survey area are feasible; or
- 805 (b) a development impediment exists within the survey area.
- 806 (61) "Survey area resolution" means a resolution adopted by a board that designates a survey area.

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- 808 (62) "Taxable value" means:
- 809 (a) the taxable value of all real property a county assessor assesses in accordance with Title 59, Chapter
- 811 2, Part 3, County Assessment, for the current year;
- 811 (b) the taxable value of all real and personal property the commission assesses in accordance with Title
- 814 59, Chapter 2, Part 2, Assessment of Property, for the current year; and
- 814 (c) the year end taxable value of all personal property a county assessor assesses in accordance with
- Title 59, Chapter 2, Part 3, County Assessment, contained on the prior year's tax rolls of the taxing
- entity.
- 817 (63)
- (a) "Tax increment" means the difference between:
- 818 (i) the amount of property tax revenue generated each tax year by a taxing entity from the area
- within a project area designated in the project area plan as the area from which tax increment is
- to be collected, using the current assessed value of the property and each taxing entity's current
- certified tax rate as defined in Section 59-2-924; and
- 823 (ii) the amount of property tax revenue that would be generated from that same area using the base
- taxable value of the property and each taxing entity's current certified tax rate as defined in
- Section 59-2-924.
- 826 (b) "Tax increment" does not include taxes levied and collected under Section 59-2-1602 on or after
- January 1, 1994, upon the taxable property in the project area unless:
- 828 (i) the project area plan was adopted before May 4, 1993, whether or not the project area plan was
- subsequently amended; and
- 830 (ii) the taxes were pledged to support bond indebtedness or other contractual obligations of the agency.
- 832 (64) "Taxing entity" means a public entity that:
- 833 (a) levies a tax on property located within a project area; or
- 834 (b) imposes a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act.
- 835 (65) "Taxing entity committee" means a committee representing the interests of taxing entities, created
- in accordance with Section 17C-1-402.
- 837 (66) "Unincorporated" means not within a municipality.
- 838 (67) "Urban renewal project area plan" means a project area plan adopted under Chapter 2, Part 1,
- Urban Renewal Project Area Plan.
- 840 (68) "Veteran" means the same as that term is defined in Section 68-3-12.5.

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964 Section 11. Section 17C-1-409 is amended to read:

965 **17C-1-409. Allowable uses of agency funds.**

966 (1)

(a) An agency may use agency funds:

967 (i) for any purpose authorized under this title;

968 (ii) for administrative, overhead, legal, or other operating expenses of the agency, including
consultant fees and expenses under Subsection 17C-2-102(1)(b)(ii)(B) or funding for a business
resource center;

971 (iii) subject to Section 11-41-103, to pay for, including financing or refinancing, all or part of:

973 (A) project area development in a project area, including environmental remediation activities occurring
before or after adoption of the project area plan;

976 (B) housing-related expenditures, projects, or programs as described in Section 17C-1-411 or
17C-1-412;

978 (C) an incentive or other consideration paid to a participant under a participation agreement, subject to
Subsection (6);

980 (D) subject to Subsections (1)(c) and (4), the value of the land for and the cost of the installation and
construction of any publicly owned building, facility, structure, landscaping, or other improvement
within the project area from which the project area funds are collected; or

984 (E) the cost of the installation of publicly owned infrastructure and improvements outside the project
area from which the project area funds are collected if the board and the community legislative body
determine by resolution that the publicly owned infrastructure and improvements benefit the project
area;

988 (iv) in an urban renewal project area that includes some or all of an inactive industrial site and
subject to Subsection (1)(e), to reimburse the Department of Transportation created under
Section 72-1-201, or a public transit district created under Title 17B, Chapter 2a, Part 8, Public
Transit District Act, for the cost of:

992 (A) construction of a public road, bridge, or overpass;

993 (B) relocation of a railroad track within the urban renewal project area; or

994 (C) relocation of a railroad facility within the urban renewal project area;

995 (v) subject to Subsection (5), to transfer funds to a community that created the agency; or

997

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- (vi) subject to Subsection (1)(f), for agency-wide project development under Part 10, Agency Taxing Authority.
- 999 (b) The determination of the board and the community legislative body under Subsection (1)(a)(iii)(E) regarding benefit to the project area shall be final and conclusive.
- 1001 (c) An agency may not use project area funds received from a taxing entity for the purposes stated in Subsection (1)(a)(iii)(D) under an urban renewal project area plan, an economic development project area plan, or a community reinvestment project area plan without the community legislative body's consent.
- 1005 (d)
- (i) Subject to Subsection (1)(d)(ii), an agency may loan project area funds from a project area fund to another project area fund if:
- 1007 (A) the board approves; and
- 1008 (B) the community legislative body approves.
- 1009 (ii) An agency may not loan project area funds under Subsection (1)(d)(i) unless the projections for agency funds are sufficient to repay the loan amount.
- 1011 (iii) A loan described in this Subsection (1)(d) is not subject to Title 10, Chapter 5, Uniform Fiscal Procedures Act for Utah Towns, Title 10, Chapter 6, Uniform Fiscal Procedures Act for Utah Cities, Title 17, Chapter 63, Fiscal Authority and Processes, or Title 17B, Chapter 1, Part 6, Fiscal Procedures for Special Districts.
- 1015 (e) Before an agency may pay any tax increment or sales tax revenue under Subsection (1)(a)(iv), the agency shall enter into an interlocal agreement defining the terms of the reimbursement with:
- 1018 (i) the Department of Transportation; or
- 1019 (ii) a public transit district.
- 1020 (f) Before an agency may use project area funds for agency-wide project development, as defined in Section 17C-1-1001, the agency shall obtain the consent of the taxing entity committee or each taxing entity party to an interlocal agreement with the agency.
- 1024 (2)
- (a) Sales and use tax revenue that an agency receives from a taxing entity is not subject to the prohibition or limitations of [~~Title 11, Chapter 41, Prohibition on Retail Facility Incentive Payments Act~~] Title 11, Chapter 41, Part 1, Prohibition on Retail Facility Incentive Payments Act.

1028

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- 1031 (b) An agency may use sales and use tax revenue that the agency receives under an interlocal agreement under Section 17C-4-201 or 17C-5-204 for the uses authorized in the interlocal agreement.
- 1031 (3)
- 1034 (a) An agency may contract with the community that created the agency or another public entity to use agency funds to reimburse the cost of items authorized by this title to be paid by the agency that are paid by the community or other public entity.
- 1037 (b) If land is acquired or the cost of an improvement is paid by another public entity and the land or improvement is leased to the community, an agency may contract with and make reimbursement from agency funds to the community.
- 1042 (4) Notwithstanding any other provision of this title, an agency may not use project area funds, project area incremental revenue as defined in Section 17C-1-1001, or property tax revenue as defined in Section 17C-1-1001, to construct a local government building unless the taxing entity committee or each taxing entity party to an interlocal agreement with the agency consents.
- 1047 (5) For the purpose of offsetting the community's annual local contribution to the Homeless Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in a calendar year to a community under Subsections (1)(a)(v), 17C-1-411(1)(d), and 17C-1-412(1)(a)(x) may not exceed the community's annual local contribution as defined in Subsection 59-12-205(5).
- 1050 (6)
- 1051 (a) Before providing tax increment funding to a private participant pursuant to a participation agreement, an agency shall consult with the county treasurer of the county in which the agency operates to determine if:
- 1052 (i) the private participant is delinquent on property tax;
- 1054 (ii) the private participant is delinquent on privilege tax; or
- 1058 (iii) the private participant is subject to a political subdivision lien for past due fees or charges.
- 1054 (b) If the county treasurer, in consultation with the agency, determines a participant is delinquent on property tax or privilege tax or subject to a political subdivision lien, the agency shall confirm whether the participation agreement between the agency and private participant includes a provision described in Subsection 17C-1-202(5)(d).
- 1058 (c) If authorized by the agency pursuant to a participation agreement, the county treasurer of the county in which the agency operates may provide tax increment funding that would otherwise be provided directly to the agency to provide to the private participant to:

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- 1062 (i) the county, in the amount the private entity is delinquent for property tax or privilege tax; and
1064 (ii) the political subdivision holding the political subdivision lien, in the amount necessary to resolve
the political subdivision lien.

1066 Section 12. Section **17C-1-603** is amended to read:

1067 **17C-1-603. Reporting requirements -- Governor's Office of Economic Opportunity to
maintain a database.**

844 (1) As used in this section:

845 (a) "Database" means the collection of electronic data described in Subsection (2)(a).

846 (b) "Office" means the Governor's Office of Economic Opportunity.

847 (c) "Office website" means a public website maintained by the office.

848 (d) "Project area" means:

849 (i) the same as that term is defined in Section 17C-1-102; and

850 (ii) if applicable, a regionally significant development zone for which the agency is responsible, as
described in Chapter 6, Regionally Significant Development Zones Act.

853 (e) "Project area funds" means:

854 (i) the same as that term is defined in Section 17C-1-102; and

855 (ii) if applicable, regionally significant development zone revenue as described in Section 17C-6-202.

857 (2) The office shall:

858 (a) create and maintain electronic data to track information for each agency located within the state; and

860 (b) make the database publicly accessible from the office website.

861 (3)

(a) The office may:

862 (i) contract with a third party to create and maintain the database; and

863 (ii) charge a fee for a county, city, or agency to provide information to the database.

864 (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).

867 (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:

870 (a) an assessment of the change in marginal value, including:

871 (i) the base year;

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- 872 (ii) the estimated current assessed value;
- 873 (iii) the percentage change in marginal value; and
- 874 (iv) a narrative description of the relative growth in assessed value;
- 875 (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:
- 879 (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;
- 882 (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
- 885 (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;
- 888 (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
- 891 (iv) the amount paid to other taxing entities under Section 17C-1-410, if applicable;
- 892 (c) a description of current and anticipated project area development, including:
- 893 (i) a narrative of any significant project area development, including infrastructure development, site
development, participation agreements, or vertical construction; and
- 896 (ii) other details of development within the project area, including:
- 897 (A) the total developed acreage;
- 898 (B) the total undeveloped acreage;
- 899 (C) the percentage of residential development; and
- 900 (D) the total number of housing units authorized, if applicable;
- 901 (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:
- 905 (i) each project area funds collection period, including:
- 906 (A) the start and end date of the project area funds collection period; and
- 907 (B) the number of years remaining in each project area funds collection period;
- 908

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- (ii) the amount of project area funds the agency is authorized to receive from the project area cumulatively and from each taxing entity, including:
- 910 (A) the total dollar amount; and
- 911 (B) the percentage of the total amount of project area funds generated within the project area;
- 913 (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
- 915 (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:
- 917 (A) the total dollar amount; and
- 918 (B) the percentage of the total amount of all project area funds;
- 919 (e) the estimated amount of project area funds that the agency is authorized to receive from the project area for the current calendar year;
- 921 (f) the estimated amount of project area funds to be paid to the agency for the next calendar year;
- 923 (g) a map of the project area;
- 924 (h) a description of how the goals, policies, and purposes of the project area plan have been furthered during the preceding year; and
- 926 (i) any other relevant information the agency elects to provide.
- 927 (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.
- 930 (6) Any information an agency submits in accordance with this section:
- 931 (a) is for informational purposes only; and
- 932 (b) does not alter the amount of project area funds that an agency is authorized to receive from a project area.
- 934 (7) The provisions of this section apply regardless of when the agency or project area is created.
- 936 (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.
- 940 (9)

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- (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:
- 943 (i) refer the noncompliant agency to the state auditor for review; and
- 944 (ii) post a notice on the office website identifying the noncompliant agency and describing the agency's noncompliance.
- 946 (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.
- 949 (c) If, for two consecutive years, the office does not receive information an agency is required to submit under Subsection (4):
- 951 (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
- 954 (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.
- 957 (d) If, after having funds withheld under Subsection (9)(c)(ii), an agency complies with Subsection (4):
- 959 (i) the office shall notify the county auditor and treasurer that the agency has complied with the requirement of Subsection (4); and
- 961 (ii) the county treasurer shall disburse the withheld funds to the agency.

1187 Section 13. Section 13 is enacted to read:

1190 **17C-6-101. Definitions.**

6. Regionally Significant Development Zones Act

1. General Provisions

As used in this chapter:

- 967 (1) "Creating entity" means the political subdivision that proposes and receives approval for the creation of a zone under Title 63N, Chapter 3a, Part 2, Creation of Regionally Significant Development Zones.
- 970 (2) "Enhanced development" means the same as that term is defined in Section 63N-3a-101.
- 971 (3) "Financing district" means:
- 972 (a) an infrastructure financing district created under Title 17B, Chapter 2a, Part 13, Infrastructure Financing District; or
- 974 (b) a public infrastructure district created under Title 17D, Chapter 4, Public Infrastructure District Act.
- 976 (4) "Impacted primary area" means the same as that term is defined in Section 63N-3a-101.

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- 977 (5) "Major sporting event venue" means the same as that term is defined in Section 63N-3a-101.
979 (6) "Proposal" means the document approved by a committee as described in Title 63N, Chapter 3a, Part 2, Creation of Regionally Significant Development Zones.
981 (7) "Zone" means a regionally significant development zone created under Title 63N, Chapter 3a, Part 2, Creation of Regionally Significant Development Zones.

1208 Section 14. Section 14 is enacted to read:

1209 **17C-6-102. Agency to manage a regionally significant development zone.**

985 (1)

(a) Upon the approval of a zone, as described in Section 63N-3a-203, a creating entity shall designate the creating entity's agency as the entity responsible for:

987 (i) the management of the zone;

988 (ii) the development of the zone; and

989 (iii) the fulfillment of any duties described in this chapter.

990 (b) If one or more creating entities propose a zone, as described in Section 63N-3a-201 by entering into an interlocal agreement as described in Section 63N-3a-202, the interlocal agreement shall describe:

993 (i) which agency is responsible for the management of the zone and zone revenue; or

994 (ii) how each participating agency shall share responsibility for:

995 (A) the management of the zone; and

996 (B) zone revenue, as described in Part 2, Financing.

997 (2) A proposal, along with conditions established by the committee that approved the proposal under Section 63N-3a-203, constitutes a governing document for the zone.

999 (3)

(a) The agency, in consultation with the creating entity, may create policies governing the development of the zone if the policies:

1001 (i) conform with the proposal; and

1002 (ii) do not contradict any provision of the proposal or any condition established by the committee that approved the proposal to create the zone.

1004 (b) If the agency and creating entity determine a modification to the proposal is required to pursue the objectives of the zone, the creating entity shall submit a proposal to modify the regionally significant development zone as described in Section 63N-3a-208.

1233 Section 15. Section 15 is enacted to read:

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1235 **17C-6-201. Energy tax -- Agency to study revenue generation options.**

2. Financing

1011 (1) A county that ~~is~~ levies the ~~{creating entity of a regionally significant development zone may,}~~
county energy excise tax authorized by {ordinance} Title 59, Chapter 35, County Energy Excise
Tax Act, {establish a} may provide revenue generated by the county energy excise tax {described
in Section 17-78-1201 for transactions that occur within the sales and use tax boundary of} to
an agency for use in a zone if the zone includes at least one high-impact consumer, as that term is
defined in Section 59-35-101.

1014 (2) An agency shall study options to generate additional revenue within a zone and provide
recommendations to the legislative body of the creating entity.

1242 Section 16. Section 16 is enacted to read:

1243 **17C-6-202. Regionally significant development zone revenue.**

1018 (1) The following are approved revenue sources for a zone:

1019 (a) property tax increment or personal property tax, as described in Section 63N-3a-204; and

1020 ~~{(b) {local sales and use tax increment, as described in Section 63N-3a-205; and}-}~~

1021 ~~(c){(b)}~~ revenue, if any, an agency receives from a {tax-} county as described in Section 17C-6-201.

1022 (2) Revenue {generated from a source} described in Subsection (1):

1023 (a) is zone revenue;

1024 (b) shall be administered by the agency; and

1025 (c) may be expended as provided in this chapter.

1252 Section 17. Section 17 is enacted to read:

1253 **17C-6-203. Allowable uses of zone revenue.**

1028 (1) An agency that is assigned to manage a zone shall use zone revenue within:

1029 (a) the zone; and

1030 (b) an impacted primary area, if the agency finds that the use of the zone revenue will:

1031 (i) directly benefit the zone; and

1032 (ii) promote the objectives of the zone, as outlined in the proposal.

1033 (2) An agency that receives zone revenue shall, subject to any requirement to remit {tax increment}
revenue to the State Reinvestment Restricted Account as described in Title 63N, Chapter 3a, Part 2,
Creation of Regionally Significant Development Zones, allocate zone revenue to:

1037 (a) development in the zone, including, as applicable:

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- 1038 (i) income targeted housing costs;
1039 (ii) structured parking;
1040 (iii) enhanced development costs;
1041 (iv) horizontal construction costs;
1042 (v) vertical construction costs;
1043 (vi) property acquisition costs;
1044 (vii) the costs of:
1045 (A) constructing, furnishing, maintaining, or operating a major sporting event venue; and
1047 (B) demolishing or remodeling an existing major sporting event venue, or portions of a major sporting
event venue;
1049 (viii) public infrastructure and improvements; and
1050 (ix) realigning public infrastructure;
1051 (b) public infrastructure and improvements in an impacted primary area, if any; and
1052 (c) make the annual payment of principal, interest, premiums, and necessary reserves for any of the
aggregate of bonds authorized under Subsection (3).
1054 (3) An agency may issue bonds, or cause bonds to be issued, as permitted by law, to pay all or part of
the costs incurred for the purposes described in Subsection (2), including the cost to issue and repay
the bonds including interest and reserves.
1057 (4) An agency may create one or more financing districts within the boundaries of the zone, and pledge
and utilize zone funds to secure the payment of bonds issued by the created financing district.
1060 {~~(5) {In addition to the purposes described in Subsection (2), an agency may allocate zone funding:}~~}
1062 {~~(a) {to mitigate the impacts of the zone on local services, including solid waste disposal operations,~~
~~law enforcement, and road repair and road upgrades; and}~~}
1064 {~~(b) {as described in Subsection (6).}~~}
1065 (6){~~(5)~~} {~~An~~} In addition to the purposes described in Subsection (2), an agency may use zone revenue
to cover the costs of the agency to administer the zone, not to exceed:
1067 (a) ~~{2%}~~ 3% of the total annual zone revenue; or
1068 (b) if the agency provides zone revenue to ~~{a person}~~ an entity through a participation agreement, ~~{2%~~
3% of the total annual zone revenue retained by the agency after providing zone revenue pursuant
to the participation agreement.

1071

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(7){(6)} At the request of a creating entity, an agency shall reimburse the creating entity the cost of conducting the pro forma analysis required for the proposal, as described in Section 63N-3a-202.

1074 (8){(7)} An agency may provide zone revenue to a person according to the terms of a participation agreement or an agreement described in Section 17C-6-301.

1296 Section 18. Section **18** is enacted to read:

1298 **17C-6-301. Private-public partnerships for a zone.**

3. Partnership Agreements

1079 (1) A person that seeks to enter into a private-public partnership with an agency shall provide the agency with an application that:

1081 (a) demonstrates the applicant is qualified to operate, in whole or in part, a project within the zone; and

1083 (b) provides any additional information required by the creating entity or agency.

1084 (2) An agency may enter into a private-public partnership:

1085 (a) if, after reviewing the application described in Subsection (1), the agency determines a private-public partnership will promote the objectives of the zone; and

1087 (b) through an agreement described in this section.

1088 (3) An agreement to create a private-public partnership between a person and an agency may:

1090 (a) establish or recognize an ownership interest in the project for the person, in consideration of the person's financial investment in the project;

1092 (b) establish an ownership interest in the project for the agency or agency's creating entity, in consideration of the public's financial investment in the project; or

1094 (c) create a lease between the person and the agency.

1315 Section 19. Section **19** is enacted to read:

1317 **17C-6-401. Regionally significant development zone budgets.**

4. Budgets, Audits, and Reports

1098 (1) An agency shall develop a budget for the zone in accordance with:

1099 (a) Chapter 1, Part 6, Agency Annual Report, Budget, and Audit Requirements; and

1100 (b) this section.

1101 (2) An agency:

1102 (a) may incorporate a zone budget into the agency's budget; and

1103 (b) shall develop and present a zone budget as a separate agency budget item.

1324 Section 20. Section **20** is enacted to read:

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1325 **17C-6-402. Audits -- County auditor reports.**

1106 (1) An agency shall comply with the same auditing requirements that are described in Sections
17C-1-604 and 17C-1-605 in regard to the regionally significant development zone.

1109 (2) The county auditor for a county in which a zone is created shall prepare an annual report in
accordance with Section 17C-1-606, the same as if the zone were a project area.

1331 Section 21. Section **21** is enacted to read:

1332 **17C-6-403. Reporting.**

1113 (1) Beginning the second year after the effective date of a zone, an agency shall produce a biennial
written report in accordance with this section no later than September 1.

1115 (2) Notwithstanding Section 17C-1-609, the report described in Subsection (1) shall:

1116 (a) describe the agency's progress in managing the zone and pursuing the objectives of the zone, as
described in the proposal;

1118 (b) describe any impediments to the continued development of the zone;

1119 (c) describe the degree to which the development of the zone is complete;

1120 (d) detail the amount of zone revenues received to date; and

1121 (e) detail the amount of revenues the agency has spent on behalf of the zone to date.

1122 (3) The agency shall provide the report described in this section to{:} the Political Subdivisions Interim
Committee.

1123 ~~{(a) {the Political Subdivisions Interim Committee; and}}~~

1124 ~~{(b) {the Economic Development and Workforce Services Interim Committee.}}~~

1125 (4) The report described in this section is in addition to the reporting requirements described in Section
17C-1-603.

1346 Section 22. Section **22** is enacted to read:

1347 **17C-6-404. Use of financing district.**

If an agency creates or utilizes a financing district to fulfill one or more objectives of the
zone, the agency and the creating entity shall ensure that the financing district complies with
the same budgeting, auditing, and reporting requirements described in this part, the same as if
the financing district were the agency.

1352 Section 23. Section **17D-4-201** is amended to read:

1353 **17D-4-201. Creation -- Annexation or withdrawal of property.**

1135 (1)

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- 1141 (a) Except as provided in Subsection (1)(b), Subsection (2), and in addition to the provisions regarding
creation of a special district in Title 17B, Chapter 1, Provisions Applicable to All Special Districts, a
public infrastructure district may not be created unless a petition is filed with the creating entity that
contains the signatures of 100% of surface property owners within the applicable area consenting to
the creation of the public infrastructure district.
- 1142 (b)
- 1143 (i) As used in this Subsection (1)(b):
- 1144 (A) "Military land" means the same as that term is defined in Section 63H-1-102.
- 1145 (B) "Project area" means the same as that term is defined in Section 63H-1-102.
- 1146 (ii) Notwithstanding Title 17B, Chapter 1, Part 2, Creation of a Special District, and any other provision
of this chapter, a development authority may adopt a resolution creating a public infrastructure
district if all owners of surface property proposed to be included within the public infrastructure
district consent in writing to the creation of the public infrastructure district.
- 1149 (iii) For purposes of Subsection (1)(b)(ii), if the surface property proposed to be included within the
public infrastructure district includes military land that is within a project area, the owner of the
military land within the project area is the lessee of the military land.
- 1153 (iv) A public infrastructure district created under Subsection (1)(b)(ii) may be created as a subsidiary of
the development authority that adopts the resolution creating the public infrastructure district.
- 1156 (2)
- 1157 (a) The following do not apply to the creation of a public infrastructure district:
- 1158 (i) Section 17B-1-203;
- 1159 (ii) Section 17B-1-204;
- 1160 (iii) Subsection 17B-1-208(2);
- 1161 (iv) Section 17B-1-212; or
- 1162 (v) Section 17B-1-214.
- 1163 (b) The protest period described in Section 17B-1-213 may be waived in whole or in part with the
consent of 100% of the surface property owners within the applicable area approving the creation of
the public infrastructure district.
- 1165 (c) If the protest period is waived under Subsection (2)(b), a resolution approving the creation of the
public infrastructure district may be adopted in accordance with Subsection 17B-1-213(5).
- 1168 (d) A petition meeting the requirements of Subsection (1) may be certified under Section 17B-1-209.

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- 1170 (e) Notwithstanding Subsection 17B-1-215(1)(b), the district applicant shall file the items required
by Subsection 17B-1-215(1)(a) with the lieutenant governor within 30 days of the day on which a
resolution creating a public infrastructure district is adopted.
- 1174 (3) Notwithstanding Title 17B, Chapter 1, Part 4, Annexation, an area outside of the boundaries of a
public infrastructure district may be annexed into the public infrastructure district if the following
requirements are met:
- 1177 ~~(a)~~
- 1179 ~~(i) adoption of resolutions of the board and the creating entity, each approving of the annexation; or~~
~~(ii) adoption of a resolution of the board to annex the area, provided that the governing document or~~
~~creation resolution for the public infrastructure district authorizes the board to annex an area outside~~
~~of the boundaries of the public infrastructure district without future consent of the creating entity;~~
~~and~~
- 1183 ~~(b)~~ (a) the board adopts a resolution approving the annexation;
- 1403 (b) the governing document or resolution creating the public infrastructure district authorizes the public
infrastructure district to annex the proposed annexation area;
- 1405 (c) a petition is filed with the public infrastructure district that contains the signatures of 100% of
surface property owners within the ~~area proposed to be annexed~~ proposed annexation area,
demonstrating the surface property owners' consent to the annexation into the public infrastructure
district~~[-]~~ ;
- 1409 (d) if the creating entity is a county or municipality and the proposed annexation area is outside the
boundaries of the creating entity:
- 1411 (i) for an area that is unincorporated, the legislative body of the county where the area is located adopts
a resolution approving the annexation; or
- 1413 (ii) for an area that is within the boundaries of a municipality, the legislative body of the municipality
where the area is located adopts a resolution approving the annexation; and
- 1416 (e) the proposed annexation area is contiguous to the area inside the boundaries of the public
infrastructure district.
- 1187 (4)
- (a) Notwithstanding Title 17B, Chapter 1, Part 5, Withdrawal, property may be withdrawn from a
public infrastructure district if the following requirements are met:
- 1189 (i)

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- 1191 (A) adoption of resolutions of the board and the creating entity, each approving of the withdrawal; or
(B) adoption of a resolution of the board to withdraw the property, provided that the governing document or creation resolution for the public infrastructure district authorizes the board to withdraw property from the public infrastructure district without further consent from the creating entity; and
- 1195 (ii) a petition is filed with the public infrastructure district that contains the signatures of 100% of surface property owners within the area proposed to be withdrawn, demonstrating that the surface property owners consent to the withdrawal from the public infrastructure district.
- 1199 (b) If any bonds that the public infrastructure district issues are allocable to the area to be withdrawn remain unpaid at the time of the proposed withdrawal, the property remains subject to any taxes, fees, or assessments that the public infrastructure district imposes until the bonds or any associated refunding bonds are paid.
- 1203 (c) Upon meeting the requirements of Subsection (3) or (4)(a), the board shall:
- 1204 (i) within 30 days of the day on which a resolution is adopted or a petition is filed under Subsection (3) or (4)(a), file with the lieutenant governor:
- 1206 (A) a copy of a notice of impending boundary action, as defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and
- 1208 (B) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5; and
- 1210 (ii) comply with the requirements of Section 17B-1-512, except:
- 1211 (A) Subsections 17B-1-512(1)(b) and (c) do not apply; and
- 1212 (B) the time periods described in this section govern.
- 1213 (5) A creating entity may impose limitations on the powers of a public infrastructure district through the governing document.
- 1215 (6)
- (a) A public infrastructure district is separate and distinct from the creating entity.
- 1216 (b)
- (i) Except as provided in Subsection (6)(b)(ii), any financial burden, including the cost of accounting, audit reporting, and budget preparation, of a public infrastructure district:
- 1219 (A) is borne solely by the public infrastructure district; and
- 1220 (B) is not borne by the creating entity, by the state, or by any municipality, county, or other political subdivision.

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- 1222 (ii) Notwithstanding Subsection (6)(b)(i) and Section 17B-1-216, the governing document may require:
- 1224 (A) the district applicant to bear the initial costs of the public infrastructure district; and
- 1226 (B) the public infrastructure district to reimburse the district applicant for the initial costs the creating entity bears.
- 1228 (iii) Nothing in this Subsection (6) precludes a public infrastructure district from qualifying directly for an impact fee offset, credit, or refund under Title 11, Chapter 36a, Impact Fees Act, regarding any qualifying system improvements financed by the public infrastructure district.
- 1232 (c) Any legal responsibility, liability, judgment, or claim against a public infrastructure district:
- 1234 (i) is the sole responsibility of the public infrastructure district; and
- 1235 (ii) does not constitute a liability, judgment, or claim against the creating entity, the state, or any municipality, county, or other political subdivision.
- 1237 (d)
- (i)
- (A) The public infrastructure district solely bears the responsibility of any collection, enforcement, or foreclosure proceeding with regard to any fee or assessment the public infrastructure district imposes.
- 1240 (B) The creating entity does not bear the responsibility described in Subsection (6)(d)(i)(A).
- 1242 (ii) A public infrastructure district, and not the creating entity, shall undertake the enforcement responsibility described in, as applicable, Subsection (6)(d)(i) in accordance with Title 11, Chapter 42, Assessment Area Act.
- 1245 (7) A creating entity may establish criteria in determining whether to approve or disapprove of the creation of a public infrastructure district, including:
- 1247 (a) historical performance of the district applicant;
- 1248 (b) compliance with the creating entity's master plan;
- 1249 (c) credit worthiness of the district applicant;
- 1250 (d) plan of finance of the public infrastructure district; and
- 1251 (e) proposed development within the public infrastructure district.
- 1252 (8)
- (a) The creation of a public infrastructure district is subject to the sole discretion of the creating entity responsible for approving or rejecting the creation of the public infrastructure district.
- 1255

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(b) The proposed creating entity bears no liability for rejecting the proposed creation of a public infrastructure district.

1488 Section 24. Section **17D-4-202** is amended to read:

1489 **17D-4-202. Public infrastructure district board -- Governing document.**

1259 (1)

(a) The legislative body or board of the creating entity shall ~~[appoint the initial members of the board of a public infrastructure district, in accordance with the governing document.]~~ approve the governing document for the public infrastructure district through resolution.

1263 (b) A governing document ~~[approved by the legislative body or board of the creating entity may provide for] :~~

1265 (i) shall include the names of the initial members of the board;

1266 (ii) shall provide that, upon the lieutenant governor issuing a certificate of incorporation for the public infrastructure district, members of the board may be appointed in accordance with the terms of the governing document and this section; and

1270 (iii) may provide for the board of a public infrastructure district to, upon a vacancy on the board and subject to Subsection (4), appoint an individual to the board so long as the individual meets the requirements to serve on a public infrastructure district board described in this section.

1274 ~~[(e) For public infrastructure districts not described in Subsection (1)(b), and except as provided in Subsection (1)(d):]~~

1276 ~~[(i) if there is a vacancy on the board of a public infrastructure district, or a board member provides notice to the legislative body or board of the creating entity of the board member's intention to resign from the board, the legislative body or board of the creating entity shall appoint a replacement board member within 45 days from the day on which the vacancy first occurs or the board member provides notice of the board member's intent to resign; and]~~

1282 ~~[(ii) if a legislative body or board of the creating entity fails to fill a vacancy on the board within the time period described in Subsection (1)(c)(i), the board of the public infrastructure district may appoint an individual who is eligible to serve on the board according to the requirements of this section to fill the board vacancy:]~~

1286 ~~[(d)]~~ (c) If a public infrastructure district board position has transitioned from appointment to election, as described in Subsection (4), and an elected board position becomes vacant, the ~~[provisions of~~

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~~Section 20A-1-512 apply to fill the vacancy]~~ vacant board position shall be filled through the remainder of the term in the method provided in the governing document.

- 1291 (2)
- (a) Unless otherwise limited in the governing document and except as provided in Subsection (2)(b), the initial term of each member of the board is four years.
- 1293 (b) Notwithstanding Subsection (2)(a), approximately half of the members of the initial board shall serve a six-year term so that, after the expiration of the initial term, the term of approximately half the board members expires every two years.
- 1296 (c) A board may elect that a majority of the board serve an initial term of six years.
- 1297 (d) After the initial term, the term of each member of the board is four years.
- 1298 (e) A member of the board who is appointed shall continue to serve on the board of the public infrastructure district until a replacement board member is appointed.
- 1300 (3)
- (a) Notwithstanding Subsection 17B-1-302(1)(b), a board member is not required to be a resident within the boundaries of the public infrastructure district if:
- 1302 (i) all of the surface property owners consent to the waiver of the residency requirement in the petition requesting the creation of the public infrastructure district;
- 1305 (ii) there are no residents within the boundaries of the public infrastructure district;
- 1306 (iii) no qualified candidate timely files to be considered for appointment to the board; or
- 1308 (iv) no qualified individual files a declaration of candidacy for a board position in accordance with Subsection 17B-1-306(5).
- 1310 (b) Except under the circumstances described in Subsection (3)(a)(iii) or (iv), the residency requirement in Subsection 17B-1-302(1)(b) is applicable to any board member elected for a division or board position that has transitioned from an appointed to an elected board member in accordance with this section.
- 1314 (c) An individual who is not a resident within the boundaries of the public infrastructure district may not serve as a board member unless the individual is:
- 1316 (i) an owner of land or an agent or officer of the owner of land within the boundaries of the public infrastructure district; and
- 1318 (ii) a registered voter at the individual's primary residence.
- 1319

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- (d) If ~~[the creating entity determines that]~~ a public infrastructure district is not anticipated to have permanent residents within the public infrastructure district's boundaries, or is anticipated to be primarily composed of non-residential property or non-primary residential property, a governing document may allow the ~~[creating entity to continue]~~ board to appoint a property owner, or the agent of a property owner, to the public infrastructure district board.
- 1325 (e) A governing document may allow for a property owner to recommend a property owner or a property owner's agent for appointment to the public infrastructure district board in numbers proportional to the property owner's ownership of land, or value of land, within a public infrastructure district.
- 1329 (4)
- (a) A governing document may provide for a transition from ~~[legislative body]~~ appointment under Subsection (1) to a method of election by registered voters based upon milestones or events that the governing document identifies, including a milestone for each division or individual board position providing that when the milestone is reached:
- 1334 (i) for a division, the registered voters of the division elect a member of the board in place of an appointed member at the next municipal general election for the board position; or
- 1337 (ii) for an at large board position established in the governing document, the registered voters of the public infrastructure district elect a member of the board in place of an appointed member at the next municipal general election for the board position.
- 1341 (b) Regardless of whether a board member is elected under Subsection (4)(a), the position of each remaining board member shall continue to be appointed under Subsection (1) until the member's respective division or board position surpasses the density milestone described in the governing document.
- 1345 (5)
- (a) ~~[Subject to Subsection (5)(e), the]~~ For a public infrastructure district that has transitioned to a method of election as described in Subsection (4), the board may, in the board's discretion but no more frequently than every four years, reestablish the boundaries of each division so that each division that has reached a milestone specified in the governing document, as described in Subsection (4)(a), has, as nearly as possible, the same number of eligible voters.

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- (b) In reestablishing division boundaries under Subsection (5)(a), the board shall consider existing or potential developments within the divisions that, when completed, would increase or decrease the number of eligible voters within the division.
- 1355 ~~[(e) The governing document may prohibit the board from reestablishing, without the consent of the~~
~~creating entity, the division boundaries as described in Subsection (5)(a).]~~
- 1358 (6) A public infrastructure district may not compensate a board member for the member's service on the board under Section 17B-1-307 unless the board member is a resident within the boundaries of the public infrastructure district.
- 1361 (7) A governing document shall:
- 1362 (a) include a boundary description and a map of the public infrastructure district;
- 1363 (b) state the number of board members;
- 1364 (c) describe any divisions of the public infrastructure district;
- 1365 (d) establish any applicable property tax levy rate limit for the public infrastructure district;
- 1367 (e) establish any applicable limitation on the principal amount of indebtedness for the public infrastructure district;
- 1369 ~~(f) describe the public infrastructure and improvements, facilities, or properties that the public~~
~~infrastructure district is created to facilitate or develop, as described in Section 17D-4-203; and~~
- 1372 ~~[(f)] (g) include other information that the public infrastructure district or the creating entity determines~~
to be necessary or advisable.
- 1374 (8)
- (a) Except as provided in Subsection (8)(b), the board and the governing body of the creating entity may amend a governing document by each adopting a resolution that approves the amended governing document.
- 1377 (b) Notwithstanding Subsection (8)(a), any amendment to increase a property tax levy rate limitation requires the consent of 100% of surface property owners within the boundaries of the public infrastructure district.
- 1380 (9) A board member is not in violation of Section 67-16-9 if the board member:
- 1381 (a) discloses a business relationship in accordance with Sections 67-16-7 and 67-16-8 and files the disclosure with the creating entity:
- 1383 (i) before any appointment or election; and
- 1384 (ii) upon any significant change in the business relationship; and

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- 1385 (b) conducts the affairs of the public infrastructure district in accordance with this title and any
parameters described in the governing document.
- 1387 (10) Notwithstanding any other provision of this section, the governing document governs the number,
appointment, eligibility for appointment, and terms of board members of a public infrastructure
district created by the development authority.
- 1621 Section 25. Section **17D-4-202.1** is amended to read:
- 1622 **17D-4-202.1. Convention center public infrastructure -- District board -- Petition and
process requirements -- Governing document.**
- 1393 (1) As used in this section:
- 1394 (a) "City" means a municipality of the first class located in a county of the first class in which a
convention center is located.
- 1396 (b) "County" means a county in which a convention center is located.
- 1397 (c) "Lessee" means a lessee of property within the proposed convention center public infrastructure
district that leases the property from the city or county for a term of at least 10 years.
- 1400 (d)
- 1401 (i) "Petitioner" means:
- 1401 (A) a surface property owner, a property owner, or lessee of property within a proposed convention
center public infrastructure district's boundaries that initiates the formation of a convention
center public infrastructure district; or
- 1404 (B) a surface property owner under this chapter, and Title 17B, Chapter 1, Provisions Applicable to
All Special Districts, in relation to a convention center public infrastructure district.
- 1407 (ii) "Petitioner" does not include a city, county, or other public entity.
- 1408 (2) A convention center public infrastructure district shall be created in a city upon the submission of a
petition in accordance with this part and shall have all the powers of a public infrastructure district
under this chapter.
- 1411 (3) A convention center public infrastructure district may only be created within a city in which a
convention center is located.
- 1413 (4) The petition described in Subsection (2) shall:
- 1414 (a) include the governing document; and
- 1415 (b) for a petition to a city which has previously authorized revitalization taxes described in Section
63N-3-1403, include as part of the governing document approval and authorization of an interlocal

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agreement pledging and securing the revitalization taxes for debt of the proposed convention center public infrastructure district.

- 1419 (5)
- (a) The process for creating a convention center public infrastructure district or a convention center public infrastructure district in a capital city shall be initiated by the submission of a petition and a governing document to the city, except that:
- 1422 (i) the city recorder shall certify the petition within 14 days from the day the petitioner submits the petition to the city recorder;
- 1424 (ii) if the city recorder fails to certify the petition within the time described in Subsection (5)(a)(i), the petition shall be considered certified; and
- 1426 (iii) within 30 days from the day that the petitioner submits the petition to the city recorder, or if the city and the petitioner have come to an agreement as described in Subsection (5)(b), the city shall adopt a resolution to approve:
- 1429 (A) the governing document the petitioner submitted with the petition; and
- 1430 (B) the creation of a convention center public infrastructure district or a convention center public infrastructure district in a capital city.
- 1432 (b) Notwithstanding Subsection (5)(a), the city and petitioner may negotiate the finalized terms of the petition, including the terms of an interlocal agreement, within a time period agreed upon by the city and petitioner.
- 1435 (6)
- (a) The boundaries of a convention center public infrastructure district shall be limited to an area within a one-half-mile radius of a convention center.
- 1437 (b) If a parcel is intersected by the radius described in Subsection (6)(a), the entire parcel may be included in the district.
- 1439 (7) A convention center public infrastructure district shall be subject to the following provisions regarding taxation and financing:
- 1441 (a) a convention center public infrastructure district may levy an administrative tax of up to 0.0005 per dollar of taxable value on taxable property within the district; and
- 1443 (b) the administrative tax shall be used exclusively for administrative expenses and may not be used for capital costs or debt payment.

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- (8) A convention center public infrastructure district shall be governed by the governing document submitted and approved as described in this section.
- 1447 (9) The convention center public infrastructure board shall consist of five members to be appointed by the board in accordance with the governing document as follows:
- 1449 (a) three members shall be representatives of the petitioner and selected by the petitioner;
- 1450 (b) one member may be a representative of the city and selected by the mayor of the city; and
- 1452 (c) one member may be a representative of the county and selected by the mayor of the county.
- 1454 (10)
- (a) Except as provided in Subsection (10)(b), upon a vacancy or expiration of a term of a board member for a convention center public infrastructure district, the board shall appoint the replacement in the same manner as described in Subsection (9) for the unexpired period of the board member's term.
- 1458 (b) If a city or county mayor chooses not to select a member of the board as described in Subsection (9) (b) or (c), elects in writing to permanently abdicate the board seat, or chooses to vacate a member at any time, the petitioner shall select a member for the replacement who shall not be a representative of the city or county in which the convention center is located.
- 1463 (11)
- (a) A convention center public infrastructure district shall enter into an interlocal agreement with the relevant county that provides that, for any revenue that is transferred to the convention center public infrastructure district from a convention center reinvestment zone created [~~pursuant to~~] in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the mayor of the county shall have approval authority for the expenditure of any revenue related to a convention center revitalization project, as that term is defined in Section 63N-3-602.
- 1470 (b) The approval authority described in Subsection (11)(a) does not include approval authority over:
- 1472 (i) any bonds or debt or related terms issued by the convention center public infrastructure district; or
- 1474 (ii) revenue subject to a participation agreement entered into pursuant to Title 63N, Chapter 3, Part 14, Capital City Revitalization Zone.
- 1707 Section 26. Section **17D-4-203** is amended to read:
- 1708 **17D-4-203. Public infrastructure district powers.**
- 1478 (1) A public infrastructure district has all of the authority conferred upon a special district under Section 17B-1-103.
- 1480 (2) A public infrastructure district may:

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- 1481 (a) issue negotiable bonds to pay:
- 1482 (i) all or part of the costs of acquiring, acquiring an interest in, improving, or extending any of the
improvements, facilities, or property allowed under Section 11-14-103;
- 1485 (ii) capital costs of improvements in an energy assessment area, as defined in Section 11-42a-102, and
other related costs, against the funds that the public infrastructure district will receive because of an
assessment in an energy assessment area;
- 1488 (iii) public improvements related to the provision of housing;
- 1489 (iv) capital costs related to public transportation;
- 1490 (v) for a public infrastructure district that is within or adjacent to a housing and transit reinvestment
zone described in Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, any
and all costs to finance any public or privately owned improvements, which, in the discretion of the
board of the public infrastructure district, promote the objectives described in Section 63N-3-603.1;
- 1495 (vi) the cost of acquiring or financing public infrastructure and improvements;
- 1496 (vii) for a public infrastructure district that is a subsidiary of or created by the Utah Inland Port
Authority, the costs associated with a remediation project, as defined in Section 11-58-102;
- 1499 (viii) for a convention center public infrastructure district that is within or adjacent to a convention
center reinvestment zone as defined in Section 63N-3-602, any or all of the costs to finance any
public or privately owned improvements, including convention center-related improvements
and arena improvements, which, in the discretion of the board of a convention center public
infrastructure district, promote the objectives of the convention center reinvestment zone, as
described in Section 63N-3-603.1;
- 1506 (ix) for a convention center public infrastructure district, the costs of financing a convention
revitalization project, as the term is defined in Section 63N-3-602;
- 1508 (x) for a convention center public infrastructure district in a capital city that is within or adjacent to
a convention center reinvestment zone in a capital city, as defined in Section 63N-3-602, any or
all of the costs to financing any publicly owned improvements, including the cost of financing
a convention center revitalization project in a capital city, as defined in Section 63N-3-602,
convention center-related improvements, and publicly or privately owned improvements that
directly serve the convention center, which, in the discretion of the board of the convention center
public infrastructure district in a capital city, promote the objectives of the convention center
reinvestment zone in a capital city, as described in Section 63N-3-603.1; and

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- 1518 (xi) for a convention center public infrastructure district in a capital city that is within a capital city
revitalization zone project area, as defined in Section 63N-3-1401, any allowed uses of funds
or revenue provided for under Section 59-12-402.5, including eligible expenses consistent with
the terms of the participation agreement, except that a convention center public infrastructure
district in a capital city may not issue negotiable bonds serviced by the revitalization tax under
Section 59-12-402.5 for privately owned improvements for more than the maximum dollar amount
described in the participation agreement.
- 1526 (b) enter into an interlocal agreement in accordance with Title 11, Chapter 13, Interlocal Cooperation
Act, provided that the interlocal agreement may not expand the powers of the public infrastructure
district, within the limitations of Title 11, Chapter 13, Interlocal Cooperation Act, without the
consent of the creating entity;
- 1530 (c) notwithstanding any other provision in code, acquire completed or partially completed
improvements, including related design and consulting services and related work product, for fair
market value as reasonably determined by[:]
- 1533 [~~(i) the board;~~]
- 1534 [~~(ii) the creating entity, if required in the governing document; or~~]
- 1535 [~~(iii)~~] a surveyor or engineer that a public infrastructure district employs or engages to perform
the necessary engineering services for and to supervise the construction or installation of the
improvements;
- 1538 (d) contract with the creating entity for the creating entity to provide administrative services on behalf
of the public infrastructure district, when agreed to by both parties, in order to achieve cost savings
and economic efficiencies, at the discretion of the creating entity;
- 1542 (e) for a public infrastructure district created by a development authority, or for a public infrastructure
district created by a municipality and located in an urban renewal project area that includes some or
all of an inactive industrial site:
- 1545 (i)
- (A) operate and maintain public infrastructure and improvements the district acquires or finances; and
- 1547 (B) use fees, assessments, or taxes to pay for the operation and maintenance of those public
infrastructure and improvements; and
- 1549 (ii) issue bonds under Title 11, Chapter 42, Assessment Area Act; and
- 1550

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(f) for a public infrastructure district that is a subsidiary of or created by the Utah Inland Port Authority, pay for costs associated with a remediation project, as defined in Section 11-58-102, of the Utah Inland Port Authority.

1553 (3) A public infrastructure district created by the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, may:

1555 (a) pay for the cost of the development and construction of a qualified stadium, as defined in Section 11-70-101; and

1557 (b) pay for the cost of public infrastructure and improvements.

1789 Section 27. Section **17D-4-204** is amended to read:

1790 **17D-4-204. Relation to other local entities.**

1560 (1) Notwithstanding the creation of a public infrastructure district, the creating entity and any other public entity, as applicable, retains all of the entity's authority over all zoning, planning, design specifications and approvals, and permitting within the public infrastructure district.

1564 (2) The inclusion of property within the boundaries of a public infrastructure district does not preclude the inclusion of the property within any other special district.

1566 (3)

(a) All infrastructure that is connected to another public entity's system:

1567 (i) belongs to that public entity, regardless of inclusion within the boundaries of a public infrastructure district, unless the public infrastructure district and the public entity otherwise agree; and

1570 (ii) shall comply with the design, inspection requirements, and other standards of the public entity.

1572 (b) A public infrastructure district shall convey or transfer the infrastructure described in Subsection (3)

(a) free of liens or financial encumbrances to the public entity at no cost to the public entity.

1575 (c) The conveyance, transfer, or dedication of infrastructure to a creating entity or a public entity in accordance with this section is not a financial benefit of the creating entity or public entity.

1578 (4)

(a) No public entity or private person shall receive funds from any portion of a public infrastructure district's property tax revenue without a resolution of the public infrastructure district's board authorizing the public entity or private person to receive the funds.

1582 (b) Subsection (4)(a) does not apply to the county's expenses related to collecting property tax in accordance with Title 59, Chapter 2, [~~Part 12,~~]Property Tax Act.

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- 1584 (c) Subsection (4)(a) applies notwithstanding any provision in:
- 1585 (i) Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act;
- 1587 (ii) Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;
- 1588 (iii) a statute governing a development authority created under Utah Constitution, Article XI; or
- 1590 (iv) a provision of code related to the collection, distribution, or sharing of tax increment revenue, incremental property tax increases, or actions related to the collection, distribution, or sharing of tax increment revenue or incremental property tax increases.
- 1825 Section 28. Section **28** is enacted to read:
- 1827 **17D-4-401. District dissolution.**
4. Dissolution
- 1597 (1) A public infrastructure district, other than a public infrastructure district created by a development authority that provides ongoing services, shall be dissolved after:
- 1599 (a) all of the public infrastructure district's bonded indebtedness and contractual obligations are satisfied or defeased; and
- 1601 (b) the public infrastructure and improvements, facilities, or properties described in the governing document, as required in Section 17D-4-202 have been:
- 1603 (i) constructed, repaired, or otherwise completed; and
- 1604 (ii) transferred to the entity responsible for the maintenance and operation of the public infrastructure and improvement, facility, or property.
- 1837 (2) The board shall:
- 1838 (a) adopt a resolution approving the dissolution of the public infrastructure district within 30 days of the day on which the requirements of Subsection (1) are met; and
- 1840 (b) notify the lieutenant governor of the dissolution.
- 1841 (3) Upon the lieutenant governor's issuance of a certificate of dissolution under Section 67-1a-6.5:
- 1606 (2){(a)} {~~The dissolution of~~} the public infrastructure district ~~{shall:}~~ is dissolved; and
- 1844 (b) the board shall:
- 1845 (i) if the public infrastructure district was located within the boundary of a single county, submit to the recorder of that county the original and a certified copy of the resolution described in Subsection (2) (a); or
- 1848 (ii) if the public infrastructure district was located within the boundaries of more than a single county:
- 1607

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(a){(A)} ~~{follow}~~ submit to the recorder of one of those counties the original certificate of dissolution and a certified copy of the {process} resolution described in {Title 17B, Chapter 1, Part 13, Dissolution of a Special District} Subsection (2)(a); and

1609 ~~{(b) {be complete within one year of the day on which the requirements of Subsection (1) are met.}}~~

1853 (B) submit to the recorder of each other county a certified copy of the certificate of dissolution and a certified copy of the resolution described in Subsection (2)(a).

1856 Section 29. Section **29** is enacted to read:

1858 **51-9-1001. {State Reinvestment Restricted Account created} Definitions.**

10. State Reinvestment Restricted Account

As used in this part:

1613 (1) ~~{There is created within}~~ "Account" means the {General Fund a restricted account known as the "State-} State Reinvestment Restricted Account{.} created in Section 51-9-1002.

1615 ~~{(2) {The account shall consist of:}}~~

1616 ~~{(a) {revenue deposited into the account in accordance with Title 63N, Chapter 3a, Part 2, Creation of Regionally Significant Development Zones;}}~~

1618 ~~{(b) {revenue deposited into the account by the Utah Inland Port Authority in accordance with Sections 11-58-602 and 11-58-607;}}~~

1620 ~~{(c) {revenue deposited into the account in accordance with Subsection 59-1-306(8); and}}~~

1621 ~~{(d) {interest and earnings on money in the account.}}~~

1862 (2) "Generational water infrastructure" means physical facilities or other physical assets designed to meet generational demands for water.

1864 Section 30. Section **30** is enacted to read:

1865 **51-9-1002. State Reinvestment Restricted Account created.**

1866 (1) There is created within the General Fund a restricted account known as the "State Reinvestment Restricted Account."

1868 (2) The account shall consist of:

1869 (a) revenue deposited into the account in accordance with:

1870 (i) Title 63N, Chapter 3a, Part 2, Creation of Regionally Significant Development Zones; and

1872 (ii) Title 63N, Chapter 3a, Part 4, Regionally Significant Zones with Energy Implications;

1874 (b) revenue deposited into the account by the Utah Inland Port Authority in accordance with Sections 11-58-602 and 11-58-607;

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- 1876 (c) revenue deposited into the account in accordance with Subsection 59-1-306(8); and
1877 (d) interest and earnings on money in the account.
- 1878 (3) The state treasurer shall invest the money in the fund according to Title 51, Chapter 7, State Money Management Act, except that interest or other earnings derived from those investments shall be deposited into the account.
- 1881 Section 31. Section **31** is enacted to read:
- 1882 **51-9-1003. Authorized use of the State Reinvestment Restricted Account.**
- 1883 (1) Money in the account is to be used, subject to appropriation, for:
- 1884 (a) income tax relief;
1885 (b) development of generational water infrastructure;
1886 (c) facilitating preservation of the Great Salt Lake watershed, as described in Title 73, Chapter 10g, Part 4, Great Salt Lake Watershed Integrated Water Assessment;
1888 (d) regionally significant transit development and regionally significant transit infrastructure; and
1890 (e) development of energy resources, as described in Title 79, Chapter 6, Utah Energy Act.
- 1892 (2) Money in the account that is derived from a local source may not be used in an area outside the area in which the money was generated unless the money is used for a purpose described in Subsection (1).
- 1895 Section 32. Section **32** is enacted to read:
- 1896 **57-1-49. Disclosure of annual assessment to a public infrastructure district.**
- 1624 (1) As used in this section, "public infrastructure district" means {~~a special district~~} an entity created as described in Title 17D, Chapter 4, Public Infrastructure District Act.
- 1626 (2) In a conveyance of residential real property within the boundaries of a public infrastructure district, a seller or the seller's representative shall ensure that the expected annual cost of the public infrastructure district's final tax rate, as shown on the last equalized assessment rolls, is included in a disclosure document at or before closing.
- 1903 Section 33. Section **59-1-306** is amended to read:
- 1904 **59-1-306. Definition -- State Tax Commission Administrative Charge Account -- Amount of administrative charge -- Deposit of revenue into the restricted account -- Interest deposited into General Fund -- Expenditure of money deposited into the restricted account.**
- 1635 (1) As used in this section, "qualifying tax, fee, or charge" means a tax, fee, or charge the commission administers under:

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- 1637 (a) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
- 1638 (b) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;
- 1639 (c) Section 19-6-714;
- 1640 (d) Section 19-6-805;
- 1641 (e) Chapter 12, Sales and Use Tax Act, other than a tax under Chapter 12, Part 1, Tax Collection, or Chapter 12, Part 18, Additional State Sales and Use Tax Act;
- 1643 (f) Section 59-27-105;
- 1644 (g) Chapter 31, Cannabinoid Licensing and Tax Act;
- 1645 (h) Chapter 32, Local Impact Mitigation Tax Act;
- 1646 (i) Chapter 33, Wind or Solar Electric Generation Facility Capacity Tax;
- 1920 (j) Chapter 35, County Energy Excise Tax Act;
- 1647 ~~(j)~~ (k) Section 63H-1-205;
- 1648 ~~(k)~~ (l) Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;~~[-or]~~
- 1649 ~~(l)~~ (m) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service Charges; or
- 1650 ~~(m)~~ (n) Title 79, Chapter 6, ~~[Part H]~~ Part 14, Energy Project Assessment.
- 1651 (2) There is created a restricted account within the General Fund known as the "State Tax Commission Administrative Charge Account."
- 1653 (3) Subject to the other provisions of this section, the restricted account shall consist of administrative charges the commission retains and deposits in accordance with this section.
- 1656 (4) For purposes of this section, the administrative charge is a percentage of revenue the commission collects from each qualifying tax, fee, or charge of not to exceed the lesser of:
- 1659 (a) 1.5%; or
- 1660 (b) an equal percentage of revenue the commission collects from each qualifying tax, fee, or charge sufficient to cover the cost to the commission of administering the qualifying taxes, fees, or charges.
- 1663 (5) The commission shall deposit an administrative charge into the restricted account.
- 1664 (6) Interest earned on the restricted account shall be deposited into the General Fund.
- 1665 (7) The commission shall expend money appropriated by the Legislature to the commission from the restricted account to administer qualifying taxes, fees, or charges or to offset general operational expenses.
- 1668 (8) If the administrative charge set by the commission is calculated under Subsection (4)(b), then the commission shall deposit the amount of revenue that equals the difference between the

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administrative charge that could be charged under Subsection (4)(a) and what is being charged under Subsection (4)(b) into the State Reinvestment Restricted Account created in Section {51-9-1001} 51-9-1002.

1948 Section 34. Section **59-2-924** is amended to read:

1949 **59-2-924. Definitions -- Report of valuation of property to county auditor and commission**
-- Transmittal by auditor to governing bodies -- Calculation of certified tax rate -- Rulemaking
authority -- Adoption of tentative budget -- Notice provided by the commission.

1678 (1) As used in this section:

1679 (a)

(i) "Ad valorem property tax revenue" means revenue collected in accordance with this chapter.

1681 (ii) "Ad valorem property tax revenue" does not include:

1682 (A) interest;

1683 (B) penalties;

1684 (C) collections from redemptions; or

1685 (D) revenue received by a taxing entity from personal property that is semiconductor manufacturing equipment assessed by a county assessor in accordance with Part 3, County Assessment.

1688 (b) "Adjusted tax increment" means the same as that term is defined in Section 17C-1-102.

1690 (c)

(i) "Aggregate taxable value of all property taxed" means:

1691 (A) the aggregate taxable value of all real property a county assessor assesses in accordance with Part 3, County Assessment, for the current year;

1693 (B) the aggregate taxable value of all real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the current year; and

1696 (C) the aggregate year end taxable value of all personal property a county assessor assesses in accordance with Part 3, County Assessment, contained on the prior year's tax rolls of the taxing entity.

1699 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate year end taxable value of personal property that is:

1701 (A) semiconductor manufacturing equipment assessed by a county assessor in accordance with Part 3, County Assessment; and

1703 (B) contained on the prior year's tax rolls of the taxing entity.

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- 1704 (d) "Base taxable value" means:
- 1705 (i) for an authority created under Section 11-58-201, the same as that term is defined in Section
11-58-102;
- 1707 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, the same as that
term is defined in Section 11-59-207;
- 1709 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the
same as that term is defined in Section 11-70-101;
- 1711 (iv) for an agency created under Section 17C-1-201.5, the same as that term is defined in Section
17C-1-102;
- 1713 (v) for an authority created under Section 63H-1-201, the same as that term is defined in Section
63H-1-102;
- 1715 (vi) for a host local government, the same as that term is defined in Section 63N-2-502;
- 1717 (vii) for a housing and transit reinvestment zone or convention center reinvestment zone created under
Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the same as that term is
defined in Section 63N-3-602;
- 1720 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5, Home
Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership
Promotion Zone, a property's taxable value as shown upon the assessment roll last equalized during
the base year, as that term is defined in Section 10-21-101 or Section 17-80-101;
- 1725 (ix) for a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home
Investment Zone Act, a property's taxable value as shown upon the assessment roll last equalized
during the base year, as that term is defined in Section 63N-3-1601;
- 1729 (x) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17, Major Sporting
Event Venue Zone Act, a property's taxable value as shown upon the assessment roll last equalized
during the property tax base year, as that term is defined in Section 63N-3-1701;~~[or]~~
- 1733 (xi) for an electrical energy development zone created under Section 79-6-1104, the value of the
property within an electrical energy development zone, as shown on the assessment roll last
equalized before the creation of the electrical development zone, as that term is defined in Section
79-6-1104~~[.]~~ ; or

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(xii) for a regionally significant development zone created under Section 63N-3a-203, the taxable value of the property within a regionally significant development zone boundary, as shown on the assessment roll last equalized during the base year, as that term is defined in Section 63N-3a-101.

- 1741 (e) "Centrally assessed benchmark value" means an amount equal to the average year end taxable value
of real and personal property the commission assesses in accordance with Part 2, Assessment of
Property, for the previous three calendar years, adjusted for taxable value attributable to:
- 1745 (i) an annexation to a taxing entity;
- 1746 (ii) an incorrect allocation of taxable value of real or personal property the commission assesses in
accordance with Part 2, Assessment of Property; or
- 1748 (iii) a change in value as a result of a change in the method of apportioning the value prescribed by the
Legislature, a court, or the commission in an administrative rule or administrative order.
- 1751 (f) "Centrally assessed industry" means the following industry classes the commission assesses in
accordance with Part 2, Assessment of Property:
- 1753 (i) air carrier;
- 1754 (ii) coal;
- 1755 (iii) coal load out property;
- 1756 (iv) electric generation;
- 1757 (v) electric rural;
- 1758 (vi) electric utility;
- 1759 (vii) gas utility;
- 1760 (viii) ground access property;
- 1761 (ix) land only property;
- 1762 (x) liquid pipeline;
- 1763 (xi) metalliferous mining;
- 1764 (xii) nonmetalliferous mining;
- 1765 (xiii) oil and gas gathering;
- 1766 (xiv) oil and gas production;
- 1767 (xv) oil and gas water disposal;
- 1768 (xvi) railroad;
- 1769 (xvii) sand and gravel; and
- 1770 (xviii) uranium.

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- 1771 (g)
- (i) "Centrally assessed new growth" means the greater of:
- 1772 (A) for each centrally assessed industry, zero; or
- 1773 (B) the amount calculated by subtracting the centrally assessed benchmark value for each centrally assessed industry, adjusted for prior year end incremental value, from the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for each centrally assessed industry for the current year, adjusted for current year incremental value.
- 1779 (ii) "Centrally assessed new growth" does not include a change in value for a centrally assessed industry as a result of a change in the method of apportioning the value prescribed by the Legislature, a court, or the commission in an administrative rule or administrative order.
- 1783 (h) "Certified tax rate" means a tax rate that will provide the same ad valorem property tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.
- 1785 (i) "Community reinvestment agency" means the same as that term is defined in Section 17C-1-102.
- 1787 (j) "Eligible new growth" means the greater of:
- 1788 (i) zero; or
- 1789 (ii) the sum of:
- 1790 (A) locally assessed new growth;
- 1791 (B) centrally assessed new growth; and
- 1792 (C) project area new growth or hotel property new growth.
- 1793 (k) "Host local government" means the same as that term is defined in Section 63N-2-502.
- 1795 (l) "Hotel property" means the same as that term is defined in Section 63N-2-502.
- 1796 (m) "Hotel property new growth" means an amount equal to the incremental value that is no longer provided to a host local government as incremental property tax revenue.
- 1798 (n) "Incremental property tax revenue" means the same as that term is defined in Section 63N-2-502.
- 1800 (o) "Incremental value" means:
- 1801 (i) for an authority created under Section 11-58-201, the amount calculated by multiplying:
- 1803 (A) the difference between the taxable value and the base taxable value of the property that is located within a project area and on which property tax differential is collected; and
- 1806 (B) the number that represents the percentage of the property tax differential that is paid to the authority;

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- 1808 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, an amount
calculated by multiplying:
- 1810 (A) the difference between the current assessed value of the property and the base taxable value; and
- 1812 (B) the number that represents the percentage of the property tax augmentation, as defined in Section
11-59-207, that is paid to the Point of the Mountain State Land Authority;
- 1815 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the
amount calculated by multiplying:
- 1817 (A) the difference between the taxable value for the current year and the base taxable value of the
property that is located within a project area; and
- 1819 (B) the number that represents the percentage of enhanced property tax revenue, as defined in Section
11-70-101;
- 1821 (iv) for an agency created under Section 17C-1-201.5, the amount calculated by multiplying:
- 1823 (A) the difference between the taxable value and the base taxable value of the property located within a
project area and on which tax increment is collected; and
- 1826 (B) the number that represents the adjusted tax increment from that project area that is paid to the
agency;
- 1828 (v) for an authority created under Section 63H-1-201, the amount calculated by multiplying:
- 1830 (A) the difference between the taxable value and the base taxable value of the property located within a
project area and on which property tax allocation is collected; and
- 1833 (B) the number that represents the percentage of the property tax allocation from that project area that is
paid to the authority;
- 1835 (vi) for a housing and transit reinvestment zone or convention center reinvestment zone created in
accordance with Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an
amount calculated by multiplying:
- 1838 (A) the difference between the taxable value and the base taxable value of the property that is located
within a housing and transit reinvestment zone or convention center reinvestment zone and on which
tax increment is collected; and
- 1842 (B) the number that represents the percentage of the tax increment that is paid to the housing and transit
reinvestment zone or convention center reinvestment zone;
- 1845 (vii) for a host local government, an amount calculated by multiplying:
- 1846

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- 1850 (A) the difference between the taxable value and the base taxable value of the hotel property on which incremental property tax revenue is collected; and
- 1848 (B) the number that represents the percentage of the incremental property tax revenue from that hotel property that is paid to the host local government;
- 1850 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership Promotion Zone, an amount calculated by multiplying:
- 1853 (A) the difference between the taxable value and the base taxable value of the property that is located within a home ownership promotion zone and on which tax increment is collected; and
- 1856 (B) the number that represents the percentage of the tax increment that is paid to the home ownership promotion zone;
- 1858 (ix) for a first home investment zone created in accordance with Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, an amount calculated by multiplying:
- 1860 (A) the difference between the taxable value and the base taxable value of the property that is located within a first home investment zone and on which tax increment is collected; and
- 1863 (B) the number that represents the percentage of the tax increment that is paid to the first home investment zone;
- 1865 (x) for a major sporting event venue zone created [~~pursuant to~~] in accordance with Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, an amount calculated by multiplying:
- 1868 (A) the difference between the taxable value and the base taxable value of the property located within a qualified development zone for a major sporting event venue zone and upon which property tax increment is collected; and
- 1871 (B) the number that represents the percentage of tax increment that is paid to the major sporting event venue zone, as approved by a major sporting event venue zone committee described in Section 63N-1a-1706;[~~or~~]
- 1874 (xi) for an electrical energy development zone created under Section 79-6-1104, the amount calculated by multiplying:
- 1876 (A) the difference between the taxable value and the base taxable value of the property that is located within the electrical energy developmental zone; and
- 1878

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- (B) the number that represents the percentage of the tax increment that is paid to a community reinvestment agency and the Electrical Energy Development Investment Fund created in Section 79-6-1105[-] ; or
- 1881 (xii) for a regionally significant development zone created under Section 63N-3a-203, the amount
- 1883 calculated by multiplying:
- 1885 (A) the difference between the taxable value and the base taxable value of the property that is located
- 1887 within the regionally significant development zone; and
- 1885 (B) the number that represents the percentage of the tax increment that is paid to a creating entity's
- 1887 agency, as established by the committee in Section 63N-3a-204.
- 1887 (p)
- 1888 (i) "Locally assessed new growth" means the greater of:
- 1888 (A) zero; or
- 1889 (B) the amount calculated by subtracting the year end taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the previous year, adjusted for prior year end incremental value from the taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted for current year incremental value.
- 1895 (ii) "Locally assessed new growth" does not include a change in:
- 1896 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal, or another adjustment;
- 1898 (B) assessed value based on whether a property is allowed a residential exemption for a primary residence under Section 59-2-103;
- 1900 (C) assessed value based on whether a property is assessed under Part 5, Farmland Assessment Act; or
- 1902 (D) assessed value based on whether a property is assessed under Part 17, Urban Farming Assessment Act.
- 1904 (q) "Project area" means:
- 1905 (i) for an authority created under Section 11-58-201, the same as that term is defined in Section 11-58-102;
- 1907 (ii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the same as that term is defined in Section 11-70-101;
- 1909

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- (iii) for an agency created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102;
- 1911 (iv) for an authority created under Section 63H-1-201, the same as that term is defined in Section 63H-1-102;
- 1913 (v) for a housing and transit reinvestment zone or convention center reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;
- 1916 (vi) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership Promotion Zone, the same as that term is defined in Section 10-21-101 or Section 17-80-101;
- 1920 (vii) for a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, the same as that term is defined in Section 63N-3-1601;[~~or~~]
- 1923 (viii) for a major sporting event venue zone established under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, the qualified development zone, as defined in Section 63N-3-1701[~~;~~] ; or
- 1926 (ix) for a regionally significant development zone created under Title 63N, Chapter 3a, Part 2, Creation of Regionally Significant Development Zones, the qualified development zone, as defined in Section 63N-3a-204.
- 1929 (r) "Project area new growth" means:
- 1930 (i) for an authority created under Section 11-58-201, an amount equal to the incremental value that is no longer provided to an authority as property tax differential;
- 1933 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, an amount equal to the incremental value that is no longer provided to the Point of the Mountain State Land Authority as property tax augmentation, as defined in Section 11-59-207;
- 1937 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, an amount equal to the incremental value that is no longer provided to the Utah Fairpark Area Investment and Restoration District;
- 1940 (iv) for an agency created under Section 17C-1-201.5, an amount equal to the incremental value that is no longer provided to an agency as tax increment;
- 1942 (v) for an authority created under Section 63H-1-201, an amount equal to the incremental value that is no longer provided to an authority as property tax allocation;

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- 1945 (vi) for a housing and transit reinvestment zone or convention center reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount equal to the incremental value that is no longer provided to a housing and transit reinvestment zone or convention center reinvestment zone as tax increment;
- 1950 (vii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership Promotion Zone, an amount equal to the incremental value that is no longer provided to a home ownership promotion zone as tax increment;
- 1954 (viii) for a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, an amount equal to the incremental value that is no longer provided to a first home investment zone as tax increment;[-or]
- 1957 (ix) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, an amount equal to the incremental value that is no longer provided to the creating entity of a major sporting event venue zone as property tax increment[-] ; or
- 1961 (x) for a regionally significant development zone created under Title 63N, Chapter 3a, Part 2, Creation of Regionally Significant Development Zones, an amount equal to the incremental value that is no longer provided to the creating entity's agency for the regionally significant development zone.
- 1965 (s) "Project area incremental revenue" means the same as that term is defined in Section 17C-1-1001.
- 1967 (t) "Property tax allocation" means the same as that term is defined in Section 63H-1-102.
- 1968 (u) "Property tax differential" means the same as that term is defined in Sections 11-58-102 and 79-6-1104.
- 1970 (v) "Tax increment" means:
- 1971 (i) for a project created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102;
- 1973 (ii) for a housing and transit reinvestment zone or convention center reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the same as the term "property tax increment" is defined in Section 63N-3-602;
- 1977 (iii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership Promotion Zone, the same as that term is defined in Section 10-21-101 or Section 17-80-101;
- 1981

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- (iv) for a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, the same as that term is defined in Section 63N-3-1601;~~[-or]~~
- 1984 (v) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, property tax increment, as that term is defined in Section 63N-3-1701[-] ; or
- 1987 (vi) for a regionally significant development zone created under Title 63N, Chapter 3a, Part 2, Creation of Regionally Significant Development Zones, the same as the term "property tax increment" is defined in Section 63N-3a-101.
- 1990 (2) Before June 1 of each year, each county assessor shall deliver to the county auditor and the commission the following statements:
- 1992 (a) a statement containing the aggregate valuation of all taxable real property a county assessor assesses in accordance with Part 3, County Assessment, for each taxing entity; and
- 1995 (b) a statement containing the taxable value of all personal property a county assessor assesses in accordance with Part 3, County Assessment, from the prior year end values.
- 1998 (3) The county auditor shall, on or before June 8, transmit to the governing body of each taxing entity:
- 2000 (a) the statements described in Subsections (2)(a) and (b);
- 2001 (b) an estimate of the revenue from personal property;
- 2002 (c) the certified tax rate; and
- 2003 (d) all forms necessary to submit a tax levy request.
- 2004 (4)
- (a) Except as otherwise provided in this section, the certified tax rate shall be calculated by dividing the ad valorem property tax revenue that a taxing entity budgeted for the prior year by the amount calculated under Subsection (4)(b).
- 2007 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall calculate an amount as follows:
- 2009 (i) calculate for the taxing entity the difference between:
- 2010 (A) the aggregate taxable value of all property taxed; and
- 2011 (B) any adjustments for current year incremental value;
- 2012 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount determined by increasing or decreasing the amount calculated under Subsection (4)(b)(i) by the average of the percentage net change in the value of taxable property for the equalization period for the three calendar years immediately preceding the current calendar year;

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- 2017 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the product of:
- 2019 (A) the amount calculated under Subsection (4)(b)(ii); and
- 2020 (B) the percentage of property taxes collected for the five calendar years immediately preceding the current calendar year; and
- 2022 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an amount determined by:
- 2024 (A) multiplying the percentage of property taxes collected for the five calendar years immediately preceding the current calendar year by eligible new growth; and
- 2027 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the amount calculated under Subsection (4)(b)(iii).
- 2029 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated as follows:
- 2031 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified tax rate is zero;
- 2033 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:
- 2034 (i) in a county of the first, second, or third class, the levy imposed for municipal-type services under Title 17, Chapter 78, Part 5, Provision of Municipal-Type Services to Unincorporated Areas; and
- 2037 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county purposes and such other levies imposed solely for the municipal-type services identified in Section 17-78-501 and Subsection 17-63-101(23);
- 2040 (c) for a community reinvestment agency that received all or a portion of a taxing entity's project area incremental revenue in the prior year under Title 17C, Chapter 1, Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in Subsection (4) except that the commission shall treat the total revenue transferred to the community reinvestment agency as ad valorem property tax revenue that the taxing entity budgeted for the prior year; and
- 2046 (d) for debt service voted on by the public, the certified tax rate is the actual levy imposed by that section, except that a certified tax rate for the following levies shall be calculated in accordance with Section 59-2-913 and this section:
- 2049 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and
- 2050 (ii) a levy to pay for the costs of state legislative mandates or judicial or administrative orders under Section 59-2-1602.
- 2052 (6)
- (a) A taxing entity may impose a judgment levy under Section 59-2-1328 or 59-2-1330 at a rate that is sufficient to generate only the revenue required to satisfy one or more eligible judgments.

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- 2055 (b) The ad valorem property tax revenue generated by a judgment levy described in Subsection (6)(a)
may not be considered in establishing a taxing entity's aggregate certified tax rate.
- 2058 (7)
- (a) For the purpose of calculating the certified tax rate, the county auditor shall use:
- 2059 (i) the taxable value of real property:
- 2060 (A) the county assessor assesses in accordance with Part 3, County Assessment; and
- 2062 (B) contained on the assessment roll;
- 2063 (ii) the year end taxable value of personal property:
- 2064 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
- 2065 (B) contained on the prior year's assessment roll; and
- 2066 (iii) the taxable value of real and personal property the commission assesses in accordance with Part
2, Assessment of Property.
- 2068 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new growth.
- 2070 (8)
- (a) On or before June 30 of each year, a taxing entity shall adopt a tentative budget.
- 2071 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify the county
auditor of:
- 2073 (i) the taxing entity's intent to exceed the certified tax rate; and
- 2074 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.
- 2075 (c) The county auditor shall notify property owners of any intent to levy a tax rate that exceeds the
certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.
- 2077 (9)
- (a) Subject to Subsection (9)(d), the commission shall provide notice, through electronic means on or
before July 31, to a taxing entity and the Revenue and Taxation Interim Committee if:
- 2080 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end taxable value of
the real and personal property the commission assesses in accordance with Part 2, Assessment
of Property, for the previous year, adjusted for prior year end incremental value; and
- 2084 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year end taxable
value of the real and personal property of a taxpayer the commission assesses in accordance
with Part 2, Assessment of Property, for the previous year.

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- 2093 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by subtracting the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the current year, adjusted for current year incremental value, from the year end taxable value of the real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental value.
- 2099 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by subtracting the total taxable value of real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the current year, from the total year end taxable value of the real and personal property of a taxpayer the commission assesses in accordance with Part 2, Assessment of Property, for the previous year.
- 2101 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the requirement under Subsection (9)(a)(ii).
- 2102 {Section 30. Section 59-12-205 is amended to read: }
- 2104 **59-12-205. Ordinances to conform with statutory amendments -- Distribution of tax revenue -- Determination of population.**
- 2107 (1) To maintain in effect sales and use tax ordinances adopted [~~pursuant to~~] in accordance with Section 59-12-204, a county, city, or town shall adopt amendments to the county's, city's, or town's sales and use tax ordinances:
- 2109 (a) within 30 days of the day on which the state makes an amendment to an applicable provision of Part 1, Tax Collection; and
- 2110 (b) as required to conform to the amendments to Part 1, Tax Collection.
- 2111 (2)
- 2115 (a) Except as provided in Subsections (3), (4), and (5) and subject to Subsection (6):
- (i) 50% of each dollar collected from the sales and use tax authorized by this part shall be distributed to each county, city, and town on the basis of the percentage that the population of the county, city, or town bears to the total population of all counties, cities, and towns in the state; and
- (ii)
- (A) except as provided in Subsections (2)(a)(ii)(B), (C), (D), (E), and (F), 50% of each dollar collected from the sales and use tax authorized by this part shall be distributed to each county, city, and town

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on the basis of the location of the transaction as determined under Sections 59-12-211 through 59-12-215;

- 2119 (B) except as provided in Subsections (10) through (13), 50% of each dollar collected from the sales and use tax authorized by this part within a project area described in a project area plan adopted by the military installation development authority under Title 63H, Chapter 1, Military Installation Development Authority Act, shall be distributed to the military installation development authority created in Section 63H-1-201;
- 2125 (C) except as provided in Subsections (10) through (13), beginning July 1, 2024, 20% of each dollar collected from the sales and use tax authorized by this part within a project area under Title 11, Chapter 58, Utah Inland Port Authority Act, shall be distributed to the Utah Inland Port Authority, created in Section 11-58-201;
- 2130 (D) except as provided in Subsections (10) through (13), 50% of each dollar collected from the sales and use tax authorized by this part within the lake authority boundary, as defined in Section 11-65-101, shall be distributed to the Utah Lake Authority, created in Section 11-65-201, beginning the next full calendar quarter following the creation of the Utah Lake Authority;~~and~~
- 2135 (E) except as provided in Subsections (10) through (13), beginning January 1, 2026, 50% of each dollar collected from the sales and use tax authorized by this part within the boundary of an eligible basic special district, as that term is defined in Section 17B-1-1405, and if applicable, the boundary of a public infrastructure district created by the eligible basic special district, shall be distributed to the eligible basic special district~~[-]~~ ;
- 2141 (F) except as provided in Subsections (10) through (13), beginning the first day of a calendar quarter after the sales and use tax boundary for a major sporting event venue zone is established, the commission, at least annually, shall transfer an amount equal to 50% of the sales and use tax increment, as defined in Section 63N-3-1701, from the sales and use tax imposed under this part on transactions occurring within a sales and use tax boundary, as Section 63N-3-1710, to the creating entity of the major sporting event venue zone~~[-]~~ ; and
- 2149 (G) except as provided in Subsections (10) through (13), beginning the first day of a calendar quarter after local sales and use increment is triggered by the creating entity of a regionally significant development zone, the commission, at least annually, shall transfer an amount equal to the percentage of the sales and use tax increment established by the committee under Section 63N-3a-203 for the approved regionally significant development zone from the sales and use tax

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imposed under this part on transactions occurring within a sales and use tax boundary, as established in Section 63N-3a-205, to the agency designated by the creating entity of the regionally significant development zone.

2158 (b) Subsection (2)(a)(ii)(C) does not apply to sales and use tax revenue collected before July 1, 2022.

2160 (3) Beginning no sooner than January 1, 2026, and before application of Subsections (2), (4), (5), and (6), and except as provided in Subsections (8) and (9), and as described in Section 63N-3-610.1, beginning the first day of a calendar quarter after the year set in the proposal and after the sales and use tax boundary for a convention center reinvestment zone is established under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the commission, at least annually, shall transfer an amount equal to 100% of the sales and use tax increment, as defined in Section 63N-3-602, from the sales and use tax imposed under this part on transactions occurring within an established sales and use tax boundary, as defined in Section 63N-3-602, to the entity specified in the convention center reinvestment zone proposal submitted [~~pursuant to~~] in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

2172 (4)

(a) As used in this Subsection (4):

2173 (i) "Eligible county, city, or town" means a county, city, or town that:

2174 (A) for fiscal year 2012-13, received a tax revenue distribution under Subsection (4)(b) equal to the amount described in Subsection (4)(b)(ii); and

2176 (B) does not impose a sales and use tax under Section 59-12-2103 on or before July 1, 2016.

2178 (ii) "Minimum tax revenue distribution" means the total amount of tax revenue distributions an eligible county, city, or town received from a tax imposed in accordance with this part for fiscal year 2004-05.

2181 (b) An eligible county, city, or town shall receive a tax revenue distribution for a tax imposed in accordance with this part equal to the greater of:

2183 (i) the payment required by Subsection (2); or

2184 (ii) the minimum tax revenue distribution.

2185 (c) For an eligible county, city, or town that qualifies to receive a distribution described in this Subsection (4), the commission shall apply the provisions of this Subsection (4) after the commission applies the provisions of Subsection (3).

2188 (5)

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- (a) For purposes of this Subsection (5):
- 2189 (i) "Annual local contribution" means the lesser of \$275,000 or an amount equal to 2.55% of the
participating local government's tax revenue distribution amount under Subsection (2)(a)(i) for
the previous fiscal year.
- 2192 (ii) "Participating local government" means a county or municipality, as defined in Section
10-1-104, that is not an eligible municipality certified in accordance with Section 35A-16-404.
- 2195 (b) For revenue collected from the tax authorized by this part that is distributed on or after January
1, 2019, the commission, before making a tax revenue distribution under Subsection (2)(a)(i) to a
participating local government, shall:
- 2198 (i) adjust a participating local government's tax revenue distribution under Subsection (2)(a)(i) by:
- 2200 (A) subtracting an amount equal to one-twelfth of the annual local contribution for each participating
local government from the participating local government's tax revenue distribution; and
- 2203 (B) if applicable, reducing the amount described in Subsection (5)(b)(i)(A) by an amount equal to one-
twelfth of \$250 for each bed that is available at all homeless shelters located within the boundaries
of the participating local government, as reported to the commission by the Office of Homeless
Services in accordance with Section 35A-16-405; and
- 2208 (ii) deposit the resulting amount described in Subsection (5)(b)(i) into the Homeless Shelter Cities
Mitigation Restricted Account created in Section 35A-16-402.
- 2210 (c) For a participating local government that qualifies to receive a distribution described in Subsection
(4), the commission shall apply the provisions of this Subsection (5) after the commission applies
the provisions of Subsections (3) and (4).
- 2213 (6)
- (a) As used in this Subsection (6):
- 2214 (i) "Annual dedicated sand and gravel sales tax revenue" means an amount equal to the
total revenue an establishment described in NAICS Code 327320, Ready-Mix Concrete
Manufacturing, of the 2022 North American Industry Classification System of the federal
Executive Office of the President, Office of Management and Budget, collects and remits under
this part for a calendar year.
- 2219 (ii) "Sand and gravel" means sand, gravel, or a combination of sand and gravel.
- 2220 (iii) "Sand and gravel extraction site" means a pit, quarry, or deposit that:
- 2221 (A) contains sand and gravel; and

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- 2222 (B) is assessed by the commission in accordance with Section 59-2-201.
- 2223 (iv) "Ton" means a short ton of 2,000 pounds.
- 2224 (v) "Tonnage ratio" means the ratio of:
- 2225 (A) the total amount of sand and gravel, measured in tons, sold during a calendar year from all sand and gravel extraction sites located within a county, city, or town; to
- 2228 (B) the total amount of sand and gravel, measured in tons, sold during the same calendar year from sand and gravel extraction sites statewide.
- 2230 (b) For purposes of calculating the ratio described in Subsection (6)(a)(v), the commission shall:
- 2232 (i) use the gross sales data provided to the commission as part of the commission's property tax valuation process; and
- 2234 (ii) if a sand and gravel extraction site operates as a unit across municipal or county lines, apportion the reported tonnage among the counties, cities, or towns based on the percentage of the sand and gravel extraction site located in each county, city, or town, as approximated by the commission.
- 2238 (c)
- (i) Each July, the commission shall distribute from total collections under this part an amount equal to the annual dedicated sand and gravel sales tax revenue for the preceding calendar year to each county, city, or town in the same proportion as the county's, city's, or town's tonnage ratio for the preceding calendar year.
- 2242 (ii) The commission shall ensure that the revenue distributed under this Subsection (6)(c) is drawn from each jurisdiction's collections in proportion to the jurisdiction's share of total collections for the preceding 12-month period.
- 2245 (d) A county, city, or town shall use revenue described in Subsection (6)(c) for class B or class C roads.
- 2247 (7)
- (a) Population figures for purposes of this section shall be based on, to the extent not otherwise required by federal law:
- 2249 (i) the most recent estimate from the Utah Population Committee created in Section 63C-20-103; or
- 2251 (ii) if the Utah Population Committee estimate is not available for each municipality and unincorporated area, the adjusted sub-county population estimate provided by the Utah Population Committee in accordance with Section 63C-20-104.
- 2254 (b) The population of a county for purposes of this section shall be determined only from the unincorporated area of the county.

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- 2256 (8)
- (a) As used in Subsections (8) and (9):
- 2257 (i) "Applicable percentage" means, for a convention center reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, for sales occurring within the qualified development zone described in Subsection (8)(a)(ii), 100% of the sales and use tax increment, as that term is defined in Section 63N-3-602, from the sales and use tax:
- 2262 (A) imposed by a city of the first class in a county of the first class under this part;
- 2263 (B) imposed by a city of the first class in a county of the first class under Section 59-12-402.1;
- 2265 (C) imposed by a county of the first class under Section 59-12-1102; and
- 2266 (D) imposed by a county of the first class under Part 22, Local Option Sales and Use Taxes for Transportation Act.
- 2268 (ii) "Qualified development zone" means the sales and use tax boundary of a convention center reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.
- 2271 (iii) "Qualifying construction materials" means construction materials that are:
- 2272 (A) delivered to a delivery outlet within a qualified development zone; and
- 2273 (B) intended to be permanently attached to real property within the qualified development zone.
- 2275 (b) For a sale of qualifying construction materials, the commission shall distribute the product calculated in Subsection (8)(c) to a qualified development zone if the seller of the construction materials:
- 2278 (i) establishes a delivery outlet with the commission within the qualified development zone;
- 2280 (ii) reports the sales of the construction materials to the delivery outlet described in Subsection (8)(b)(i); and
- 2282 (iii) does not report the sales of the construction materials on a simplified electronic return.
- 2284 (c) For the purposes of Subsection (8)(b), the product is equal to:
- 2285 (i) the sales price or purchase price of the qualifying construction materials; and
- 2286 (ii) the applicable percentage.
- 2287 (9)
- (a) As used in this Subsection (9), "Schedule J sale" means a sale reported on State Tax Commission Form TC-62M, Schedule J, or a substantially similar form as designated by the commission.
- 2290

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(b) Revenue generated from the applicable percentage by a Schedule J sale within a qualified development zone shall be distributed into the jurisdiction that would have received the revenue in the absence of the qualified development zone.

2293 (10)

(a) As used in this Subsection (10):

2294 (i) "Applicable percentage" means:

2295 (A) for a project area adopted by the military installation development authority under Title 63H, Chapter 1, Military Installation Development Authority Act, for sales occurring within a qualified development zone described in Subsection (10)(a)(iii)(A):

2299 (I) 50% of the revenue from the sales and use tax imposed under this part;

2300 (II) 100% of the revenue from the sales and use tax imposed by the military installation development authority under Section 59-12-401; and

2302 (III) 100% of the revenue from the sales and use tax imposed by the military installation development authority under Section 59-12-402; ~~and~~

2304 (B) for a project area under Title 11, Chapter 58, Utah Inland Port Authority Act, for sales occurring within a qualified development zone described in Subsection (10)(a)(iii)(B), 20% of the revenue from the sales and use tax under this part;

2308 (C) for the lake authority boundary, as defined in Section 11-65-101, for sales occurring within the qualified development zone described in Subsection (10)(a)(ii)(C), 50% of the revenue from the sales and use tax under this part;

2311 (D) for the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, for sales occurring within the qualified development zone described in Subsection (10)(a)(iii)(D), 100% of the revenue from the sales and use tax imposed by the Utah Fairpark Area Investment and Restoration District under Sections 59-12-401 and 59-12-402;

2316 (E) for an eligible basic special district created under Title 17B, Chapter 1, Part 14, Basic Special District, for sales occurring within a qualified development zone described in Subsection (10)(a)(iii)(E), 50% of the revenue from the sales and use tax imposed under this part; or

2320 (F) for a regionally significant development zone created under Title 63N, Chapter 3a, Part 2, Creation of Regionally Significant Development Zones, for sales occurring within a qualified development zone described in Subsection (10)(a)(iii)(F), the percentage of the revenue from the sales and use tax imposed under this part established by the committee as described in Section 63N-3a-205.

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- 2326 (ii) "Eligible basic special district" means the same as that term is defined in Section 17B-1-1405.
- 2328 (iii) "Qualified development zone" means the sales and use tax boundary of:
- 2329 (A) a project area adopted by the military installation development authority under Title 63H, Chapter
1, Military Installation Development Authority Act;
- 2331 (B) a project area under Title 11, Chapter 58, Utah Inland Port Authority Act;
- 2332 (C) the lake authority boundary, as defined in Section 11-65-101;
- 2333 (D) the Utah Fairpark Investment and Restoration District, created in Section 11-70-201; [~~or~~]
- 2335 (E) the area within the boundary of an eligible basic special district, and if applicable, the boundary of a
public infrastructure district created by the basic special district; or
- 2338 (F) a regionally significant development zone.
- 2339 (iv) "Qualifying construction materials" means construction materials that are:
- 2340 (A) delivered to a delivery outlet within a qualified development zone; and
- 2341 (B) intended to be permanently attached to real property within the qualified development zone.
- 2343 (b) For a sale of qualifying construction materials, the commission shall distribute the product
calculated in Subsection (10)(c) to a qualified development zone if the seller of the construction
materials:
- 2346 (i) establishes a delivery outlet with the commission within the qualified development zone;
- 2348 (ii) reports the sales of the construction materials to the delivery outlet described in Subsection (10)(b)
(i); and
- 2350 (iii) does not report the sales of the construction materials on a simplified electronic return[~~;~~].
- 2352 (c) For the purposes of Subsection (10)(b), the product is equal to:
- 2353 (i) the sales price or purchase price of the qualifying construction materials; and
- 2354 (ii) the applicable percentage.
- 2355 (11)
- (a) As used in this Subsection (11):
- 2356 (i) "Applicable percentage" means the same as that term is defined in Subsection (10).
- 2357 (ii) "Qualified development zone" means the same as that term is defined in Subsection (10).
- 2359 (iii) "Schedule J sale" means a sale reported on State Tax Commission Form TC-62M, Schedule J
or a substantially similar form as designated by the commission.
- 2362

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(b) Revenue generated from the applicable percentage by a Schedule J sale within a qualified development zone shall be distributed to the jurisdiction that would have received the revenue in the absence of the qualified development zone.

2365 (12)

(a) As used in this Subsection (12):

2366 (i) "Applicable percentage" means, for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, for sales occurring within the qualified development zone described in Subsection (12)(a)(ii):

2370 (A) 50% of the sales and use tax increment, as that term is defined in Section 63N-3-601, from the sales and use tax imposed under this part;

2372 (B) 100% of the revenue from the sales and use tax imposed by the creating entity of a major sporting event venue zone under Section 59-12-401; and

2374 (C) 100% of the revenue from the sales and use tax imposed by the creating entity of a major sporting event venue zone under Section 59-12-402.

2376 (ii) "Qualified development zone" means the sales and use tax boundary, as described in Section 63N-3-1710, of a major sporting event venue zone created under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act.

2379 (iii) "Qualifying construction materials" means construction materials that are:

2380 (A) delivered to a delivery outlet within a qualified development zone; and

2381 (B) intended to be permanently attached to real property within the qualified development zone.

2383 (b) For a sale of qualifying construction materials, the commission shall distribute the product calculated in Subsection (12)(c) to the creating entity of a qualified development zone if the seller of the construction materials:

2386 (i) establishes a delivery outlet with the commission within the qualified development zone;

2388 (ii) reports the sales of the construction materials to the delivery outlet described in Subsection (12)(b)(i); and

2390 (iii) does not report the sales of the construction materials on a simplified electronic return~~[; or]~~ .

2392 (c) For the purposes of Subsection (12)(b), the product is equal to:

2393 (i) the sales price or purchase price of the qualifying construction materials; and

2394 (ii) the applicable percentage.

2395 (13)

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(a) As used in this Subsection (13):

- 2396 (i) "Applicable percentage" means the same as that term is defined in Subsection (12).
2397 (ii) "Qualified development zone" means the same as that term is defined in Subsection (12).
2399 (iii) "Schedule J sale" means a sale reported on State Tax Commission Form TC-62M, Schedule J
or a substantially similar form as designated by the commission.
- 2402 (b) Revenue generated from the applicable percentage by a Schedule J sale within a qualified
development zone shall be distributed to the jurisdiction that would have received the revenue in the
absence of the qualified development zone.

2376 Section 35. Section **35** is enacted to read:

2377 **CHAPTER 35. County Energy Excise Tax Act**

2378 **59-35-101. Definitions.**

As used in this chapter:

2380 (1) "Delivered value" means the fair market value of energy delivered for use and includes:

2381 (a) the value of the energy itself; and

2382 (b) any transportation, freight, customer demand charges, services charges, or other costs typically
incurred in providing energy in usable form.

2384 (2) "Energy" means gas and electricity.

2385 (3) "Energy supplier" means a person supplying energy.

2386 (4) "High-impact consumer" means:

2387 (a) a large load customer; or

2388 (b) a qualifying data center.

2389 (5) "Large load customer" means the same as that term is defined in Section 54-26-101.

2390 (6) "Qualifying data center" means the same as that term is defined in Section 59-12-102.

2391 (7) "Regional economic development authority" means:

2392 (a) the Military Installation Development Authority created in Section 63H-1-201;

2393 (b) the Point of the Mountain State Land Authority created in Section 11-59-201; and

2394 (c) the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201.

2396 Section 36. Section **36** is enacted to read:

2397 **59-35-201. County energy excise tax -- Rate -- Effective date -- Notice requirements.**

2399 (1) A county may levy an excise tax for the delivered value of energy upon a high-impact consumer
located:

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- 2401 (a) within the county; and
- 2402 (b) on unincorporated land.
- 2403 (2)
- (a) Subject to Section 59-35-202, a county may impose the tax levied under Subsection (1) at a maximum rate of 6% of the delivered value of the energy to the high-impact consumer.
- 2406 (b) A high-impact consumer that qualifies as both a large load customer and a qualifying data center is only subject to one excise tax described in this section.
- 2408 (3)
- (a) An energy supplier that delivers energy to a high-impact consumer is responsible for collecting and remitting a tax described in this section to the commission on a quarterly basis in the same manner that the energy supplier collects and remits sales and use tax.
- 2412 (b) For purposes of determining the point of sale for the delivered value of energy, the energy supplier shall use the location of the high-impact consumer's meter.
- 2414 (c) If an energy supplier passes along the cost of a tax imposed under this chapter to the high-impact consumer, the energy supplier shall indicate to the high-impact consumer that the tax is passed through by the energy supplier as a separately itemized charge.
- 2418 (4) A county that imposes or repeals the tax under this chapter, or modifies the rate of a tax imposed under this chapter, shall ensure county's action takes effect:
- 2420 (a) on the first day of a calendar quarter; and
- 2421 (b) after a 90-day period beginning on the date the county sends notice to the tax commission as described in Subsection (5).
- 2423 (5) A notice described in Subsection (4)(b) shall include:
- 2424 (a) that the county is imposing or repealing a tax under this chapter, or modifying the rate of a tax imposed under this chapter;
- 2426 (b) the tax rate, if applicable; and
- 2427 (c) the effective date of the tax.
- 2428 (6) A county excise tax imposed under this chapter is in addition to any sales and use tax imposed by the county under Title 59, Chapter 12, Sales and Use Tax Act.

2430 Section 37. Section 37 is enacted to read:

2431 **59-35-202. High-impact consumers in certain project areas.**

If a high-impact consumer is subject to a municipal energy sales and use tax, as

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described in Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act, that is levied by a regional land use economic development authority, the county may levy a tax described in Section 59-35-201 on the high-impact consumer only:

- 2436 (1) to the extent that the regional economic development authority does not levy the maximum rate
described in Section 10-1-304; and
- 2438 (2) at a rate that ensures the combined rate of the tax described in this section and the municipal energy
sales and use tax levied on the high-impact consumer does not exceed 6%.
- 2441 Section 38. Section 38 is enacted to read:
- 2442 **59-35-301. Administration, collection, and enforcement -- Rulemaking.**
- 2443 (1) The commission shall administer, collect, and enforce a tax under this chapter in accordance with
Chapter 1, General Taxation Policies.
- 2445 (2) Subject to Section 59-1-306, the commission shall:
- 2446 (a) deposit 10% of the revenue the commission collects from a tax under this chapter into the State
Reinvestment Restricted Account created in Section 51-9-1002; and
- 2448 (b) distribute 90% of the revenue to the county that levied the tax.
- 2449 (3) The commission shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative
Rulemaking Act, about the delivered value of taxable energy.
- 2451 (4) The rules made under Subsection (3) shall:
- 2452 (a) provide that an arm's length sales price for taxable energy sold or used by a high-impact consumer
is the delivered value to the high-impact consumer, unless the sales price does not include some
portion of the taxable energy or component of delivered value; and
- 2456 (b) establish one or more default methods for determining the delivered value one time per calendar
year on or before January 31 for taxable energy when the commission determines that the sales price
does not accurately reflect delivered value.
- 2459 (5) In establishing a default method under Subsection (4)(b), the commission:
- 2460 (a) shall take into account quantity discounts and other reductions or increases in value that are
generally available in the marketplace for various grades or types of property and classes of
services; and
- 2463 (b) may consider:
- 2464 (i) generally applicable tariffs for various classes of utility services approved by the Public Service
Commission or other governmental entity;

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- 2466 (ii) posted prices;
- 2467 (iii) spot-market prices;
- 2468 (iv) trade publications;
- 2469 (v) market data; and
- 2470 (vi) other information and data prescribed by the commission.

2471 Section 39. Section **63N-3-604** is amended to read:

2472 **63N-3-604. Process for a proposal of a housing and transit reinvestment zone -- Analysis.**

- 2408 (1) [~~Subject-~~] On or before December 31, 2027, and subject to approval of the housing and transit
reinvestment zone committee as described in Section 63N-3-605, in order to create a housing and
transit reinvestment zone, a municipality or public transit county that has general land use authority
over the housing and transit reinvestment zone area, shall:
- 2413 (a) prepare a proposal for the housing and transit reinvestment zone that:
 - 2414 (i) demonstrates that the proposed housing and transit reinvestment zone will meet the objectives
described in Subsection 63N-3-603(1);
 - 2416 (ii) explains how the municipality or public transit county will achieve the requirements of Subsection
63N-3-603(2)(a)(i);
 - 2418 (iii) defines the specific transportation infrastructure needs, if any, and proposed improvements and
estimated budgets;
 - 2420 (iv) defines the boundaries of:
 - 2421 (A) the housing and transit reinvestment zone; and
 - 2422 (B) the sales and use tax boundary corresponding to the housing and transit reinvestment zone
boundary, as described in Section 63N-3-610;
 - 2424 (v) includes maps of the proposed housing and transit reinvestment zone to illustrate:
 - 2425 (A) the proposed boundary and radius from a public transit hub;
 - 2426 (B) proposed housing density within the housing and transit reinvestment zone; and
 - 2428 (C) existing zoning and proposed zoning changes related to the housing and transit reinvestment zone;
 - 2430 (vi) identifies any development impediments that prevent the development from being a market-rate
investment, including proposed strategies and estimated budgets for addressing each one;
 - 2433 (vii) describes the proposed development plan and estimated budgets, including the requirements
described in Subsections 63N-3-603(2) and (4);

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- (viii) establishes a base year and collection period to calculate the property tax increment within the housing and transit reinvestment zone;
- 2437 (ix) establishes a sales and use tax base year to calculate the sales and use tax increment within the housing and transit reinvestment zone in accordance with Section 63N-3-610;
- 2440 (x) describes projected maximum revenues generated and the amount of property tax increment capture from each taxing entity and proposed expenditures of revenue derived from the housing and transit reinvestment zone;
- 2443 (xi) includes an analysis of other applicable or eligible incentives, grants, or sources of revenue that can be used to reduce the finance gap;
- 2445 (xii) estimates budgets and evaluates possible benefits to active and public transportation availability and impacts on air quality;
- 2447 (xiii) proposes a finance schedule to align expected revenue with required financing costs and payments;
- 2449 (xiv) provides a pro-forma for the planned development that:
- 2450 (A) satisfies the requirements described in Subsections 63N-3-603(2), (3), and (4);
- 2451 (B) includes data showing the cost difference between what type of development could feasibly be developed absent the housing and transit reinvestment zone property tax increment and the type of development that is proposed to be developed with the housing and transit reinvestment zone property tax increment; and
- 2456 (C) provides estimated budgets and construction costs, anticipated revenue, financing, expenses, and other sources and uses of funds for the project area; and
- 2459 (xv) for a housing and transit reinvestment zone at a commuter rail station, light rail station, or bus rapid transit station that is proposed and not in public transit service operation as of the date of submission of the proposal, demonstrates that the proposed station is:
- 2463 (A) included as needed in phase one of a metropolitan planning organization's adopted long-range transportation plan and in phase one of the relevant public transit district's adopted long-range plan; and
- 2466 (B) reasonably anticipated to be constructed in the near future; and
- 2467 (b) submit the housing and transit reinvestment zone proposal to the Governor's Office of Economic Opportunity.
- 2469

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(2) As part of the proposal described in Subsection (1), a municipality or public transit county shall study and evaluate possible impacts of a proposed housing and transit reinvestment zone on parking within the city and housing and transit reinvestment zone.

2472 (3)

(a) After receiving the proposal as described in Subsection (1)(b), the Governor's Office of Economic Opportunity shall:

2474 (i) within 14 days after the date on which the Governor's Office of Economic Opportunity receives the proposal described in Subsection (1)(b), provide notice of the proposal to all affected taxing entities, including the Tax Commission, cities, counties, school districts, metropolitan planning organizations, and the county assessor and county auditor of the county in which the housing and transit reinvestment zone is located; and

2480 (ii) at the expense of the proposing municipality or public transit county as described in Subsection (5), contract with an independent entity to perform the financial gap analysis described in Subsection (3)(b).

2483 (b) The gap analysis required in Subsection (3)(a)(ii) shall include:

2484 (i) a description of the planned development;

2485 (ii) a market analysis relative to other comparable project developments included in or adjacent to the municipality or public transit county absent the proposed housing and transit reinvestment zone;

2488 (iii) an evaluation of the proposal to and a determination of the adequacy and efficiency of the proposal;

2490 (iv) an evaluation of the proposed increment capture needed to cover the enhanced development costs associated with the housing and transit reinvestment zone proposal and enable the proposed development to occur; and

2493 (v) based on the market analysis and other findings, an opinion relative to the appropriate amount of potential public financing reasonably determined to be necessary to achieve the objectives described in Subsection 63N-3-603(1).

2496 (c) After receiving notice from the Governor's Office of Economic Opportunity of a proposed housing and transit reinvestment zone as described in Subsection (3)(a)(i), the State Tax Commission shall:

2499 (i) evaluate the feasibility of administering the tax implications of the proposal; and

2500 (ii) provide a letter to the Governor's Office of Economic Opportunity describing any challenges in the administration of the proposal, or indicating that the Tax Commission can feasibly administer the proposal.

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- 2503 (4) After receiving the results from the analysis described in Subsection (3)(b), the municipality or
public transit county proposing the housing and transit reinvestment zone may:
- 2506 (a) amend the housing and transit reinvestment zone proposal based on the findings of the analysis
described in Subsection (3)(b) and request that the Governor's Office of Economic Opportunity
submit the amended housing and transit reinvestment zone proposal to the housing and transit
reinvestment zone committee; or
- 2510 (b) request that the Governor's Office of Economic Opportunity submit the original housing and transit
reinvestment zone proposal to the housing and transit reinvestment zone committee.
- 2513 (5)
- (a) The Governor's Office of Economic Opportunity may accept, as a dedicated credit, up to \$20,000
from a municipality or public transit county for the costs of the gap analysis described in Subsection
(3)(b).
- 2516 (b) The Governor's Office of Economic Opportunity may expend funds received from a municipality
or public transit county as dedicated credits to pay for the costs associated with the gap analysis
described in Subsection (3)(b).
- 2519 (6)
- (a) Beginning January 1, 2028:
- 2520 (i) a municipality or public transit county may not propose a housing and transit reinvestment zone;
- 2522 (ii) a municipality or public transit county may amend a housing and transit reinvestment zone
proposal, as described in Subsection (4), if the proposal is pending review or approval on
December 31, 2027; and
- 2525 (iii) the Governor's Office of Economic Opportunity may not fulfill the duties described in
Subsection (3) or (5) in regard to a proposal for a housing and transit reinvestment zone unless
the proposal is pending review or approval on December 31, 2027.
- 2529 (b) Subsection (6)(a) does not impact housing and transit reinvestment zones that are in existence on
January 1, 2028.
- 2597 Section 40. Section **63N-3-605** is amended to read:
- 2598 **63N-3-605. Housing and transit reinvestment zone committee -- Creation.**
- 2533 (1) [Før] On or before December 31, 2027, for any housing and transit reinvestment zone proposed
under this part, or for a first home investment zone proposed in accordance with Part 16, First Home

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Investment Zone Act, there is created a housing and transit reinvestment zone committee with membership described in Subsection (2).

- 2537 (2) Each housing and transit reinvestment zone committee shall consist of the following members:
- 2539 (a) one representative from the Governor's Office of Economic Opportunity, designated by the
executive director of the Governor's Office of Economic Opportunity;
- 2541 (b) one representative from each municipality that is a party to the proposed housing and transit
reinvestment zone or first home investment zone, designated by the chief executive officer of each
respective municipality;
- 2544 (c) a member of the Transportation Commission created in Section 72-1-301;
- 2545 (d) a member of the board of trustees of a large public transit district;
- 2546 (e) one individual from the Office of the State Treasurer, designated by the state treasurer;
- 2548 (f) two members designated by the president of the Senate;
- 2549 (g) two members designated by the speaker of the House of Representatives;
- 2550 (h) one member designated by the chief executive officer of each county affected by the housing and
transit reinvestment zone or first home investment zone;
- 2552 (i) two representatives designated by the school superintendent from the school district affected by the
housing and transit reinvestment zone or first home investment zone; and
- 2555 (j) one representative, representing the largest participating local taxing entity, after the municipality,
county, and school district.
- 2557 (3) The individual designated by the Governor's Office of Economic Opportunity as described in
Subsection (2)(a) shall serve as chair of the housing and transit reinvestment zone committee.
- 2560 (4)
- (a) A majority of the members of the housing and transit reinvestment zone committee constitutes a
quorum of the housing and transit reinvestment zone committee.
- 2563 (b) An action by a majority of a quorum of the housing and transit reinvestment zone committee is an
action of the housing and transit reinvestment zone committee.
- 2565 (5)
- (a) After the Governor's Office of Economic Opportunity receives the results of the analysis described
in Section 63N-3-604, and after the Governor's Office of Economic Opportunity has received a
request from the submitting municipality or public transit county to submit the housing and transit
reinvestment zone proposal to the housing and transit reinvestment zone committee, the Governor's

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Office of Economic Opportunity shall notify each of the entities described in Subsection (2) of the formation of the housing and transit reinvestment zone committee.

- 2572 (b) For a first home investment zone, the housing and transit reinvestment zone committee shall follow
the procedures described in Section 63N-3-1604.
- 2574 (6)
- (a) The chair of the housing and transit reinvestment zone committee shall convene a public meeting to
consider the proposed housing and transit reinvestment zone.
- 2576 (b) A meeting of the housing and transit reinvestment zone committee is subject to Title 52, Chapter 4,
Open and Public Meetings Act.
- 2578 (7)
- (a) The proposing municipality or public transit county shall present the housing and transit
reinvestment zone proposal to the housing and transit reinvestment zone committee in a public
meeting.
- 2581 (b) The housing and transit reinvestment zone committee shall, for a housing and transit reinvestment
zone proposal:
- 2583 (i) evaluate and verify whether the elements of a housing and transit reinvestment zone described in
Subsections 63N-3-603(2) and (4) have been met; and
- 2585 (ii) evaluate the proposed housing and transit reinvestment zone relative to the analysis described in
Subsection 63N-3-604(2).
- 2587 (c) The housing and transit reinvestment zone committee shall, for a convention center reinvestment
zone proposal, evaluate and verify whether the objectives of a convention center reinvestment zone
described in Section 63N-3-603.1 have been met.
- 2591 (8)
- (a) Subject to Subsection (8)(b), the housing and transit reinvestment zone committee may:
- 2593 (i)
- (A) for a housing and transit reinvestment zone, request changes to the housing and transit reinvestment
zone proposal based on the analysis, characteristics, and criteria described in Section 63N-3-604; or
- 2596 (B) for a convention center reinvestment zone, request changes to the convention center reinvestment
zone proposal based on the characteristics and criteria described in Sections 63N-3-603.1 and
63N-3-604.1; or
- 2599 (ii) subject to Subsection (12), vote to approve or deny the proposal.

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- 2600 (b) Before the housing and transit reinvestment zone committee may approve the housing and transit reinvestment zone proposal, the municipality or public transit county proposing the housing and transit reinvestment zone shall ensure that the area of the proposed housing and transit reinvestment zone is zoned in such a manner to accommodate the requirements of a housing and transit reinvestment zone described in this section and the proposed development.
- 2606 (9) If a housing and transit reinvestment zone is approved by the committee:
- 2607 (a) the proposed housing and transit reinvestment zone is established according to the terms of the housing and transit reinvestment zone proposal;
- 2609 (b) affected local taxing entities are required to participate according to the terms of the housing and transit reinvestment zone proposal; and
- 2611 (c) each affected taxing entity is required to participate at the same rate.
- 2612 (10) A housing and transit reinvestment zone proposal may be amended by following the same procedure as approving a housing and transit reinvestment zone proposal.
- 2614 (11)
- (a) The approval for a convention center reinvestment zone in a capital city may be completed with a condition that the relevant municipality also create a public infrastructure district as provided in Subsection 63N-3-607(8)(b).
- 2617 (b) The approval described in Subsection (11)(a) shall verify that the requirements and limitations on use of funds is limited to the conditions described under Subsections 63N-3-604.1(2)(b) and (c).
- 2620 (12)
- (a) Beginning January 1, 2028, the committee may not approve a proposal for a housing and transit reinvestment zone or a first home investment zone unless the proposal was pending on December 31, 2027.
- 2623 (b) Housing and transit reinvestment zones that are in existence on January 1, 2028, continue to exist and shall comply with the relevant requirements of this part until the housing and transit reinvestment zone is dissolved.
- 2692 Section 41. Section **63N-3-1603** is amended to read:
- 2693 **63N-3-1603. Process for a proposal of a first home investment zone.**
- 2628 (1) [~~Subject-~~] On or before December 31, 2027, and subject to approval of the housing and transit reinvestment zone committee as described in Section 63N-3-1604, in order to create a first home

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investment zone, a municipality that has general land use authority over the first home investment zone area, shall:

- 2632 (a) prepare a proposal for the first home investment zone that:
- 2633 (i) demonstrates that the proposed first home investment zone will meet the objectives described in Subsection 63N-3-1602(1);
- 2635 (ii) explains how the municipality will achieve the requirements of Subsection 63N-3-1602(2);
- 2637 (iii) defines the specific infrastructure needs, if any, and proposed improvements;
- 2638 (iv) demonstrates how the first home investment zone will ensure:
- 2639 (A) sufficient pedestrian access to schools and other areas of community; and
- 2640 (B) inclusion of child care facilities and access;
- 2641 (v) defines the boundaries of the first home investment zone;
- 2642 (vi) includes maps of the proposed first home investment zone to illustrate:
- 2643 (A) proposed housing density within the first home investment zone;
- 2644 (B) extraterritorial homes relevant to the first home investment zone, including density of the development of extraterritorial homes; and
- 2646 (C) existing zoning and proposed zoning changes related to the first home investment zone;
- 2648 (vii) identifies any development impediments that prevent the development from being a market-rate investment and proposed strategies for addressing each one;
- 2650 (viii) describes the proposed development plan, including the requirements described in Subsections 63N-3-1602(2) and (4);
- 2652 (ix) establishes the collection period or periods to calculate the tax increment;
- 2653 (x) describes projected maximum revenues generated and the amount of tax increment capture from each taxing entity and proposed expenditures of revenue derived from the first home investment zone;
- 2656 (xi) includes an analysis of other applicable or eligible incentives, grants, or sources of revenue that can be used to reduce the finance gap;
- 2658 (xii) proposes a finance schedule to align expected revenue with required financing costs and payments;
- 2660 (xiii) evaluates possible benefits to active transportation, public transportation availability and utilization, street connectivity, and air quality; and
- 2662 (xiv) provides a pro forma for the planned development that:
- 2663 (A) satisfies the requirements described in Subsections 63N-3-1602(2) and (4); and

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- 2664 (B) includes data showing the cost difference between what type of development could feasibly be
developed absent the first home investment zone tax increment and the type of development that is
proposed to be developed with the first home investment zone tax increment;
- 2668 (b) submit the proposal to the relevant school district to discuss the requirements of the proposal and
whether the proposal provides the benefits and achieves the objectives described in this part; and
- 2671 (c) submit the first home investment zone proposal to the Governor's Office of Economic Opportunity.
- 2673 (2) As part of the proposal described in Subsection (1), a municipality shall:
- 2674 (a) study and evaluate possible impacts of a proposed first home investment zone on parking and
efficient use of land within the municipality and first home investment zone; and
- 2677 (b) include in the first home investment zone proposal the findings of the study described in Subsection
(2)(a) and proposed strategies to efficiently address parking impacts.
- 2680 (3)
- (a) After receiving the proposal as described in Subsection (1)(c), the Governor's Office of Economic
Opportunity shall:
- 2682 (i) within 14 days after the date on which the Governor's Office of Economic Opportunity receives
the proposal described in Subsection (1)(c), provide notice of the proposal to all affected taxing
entities, including the State Tax Commission, cities, counties, school districts, metropolitan
planning organizations, and the county assessor and county auditor of the county in which the
first home investment zone is located; and
- 2688 (ii) at the expense of the proposing municipality as described in Subsection (5), contract with an
independent entity to:
- 2690 (A) perform the gap analysis described in Subsection (3)(b); and
- 2691 (B) perform an analysis of the pro-forma described in Subsection (1)(a)(xiv)(B) and the feasibility of
the proposed development absent the tax increment.
- 2693 (b) The gap and pro-forma analysis required in Subsection (3)(a)(ii) shall include:
- 2694 (i) a description of the planned development;
- 2695 (ii) a market analysis relative to other comparable project developments included in or adjacent to the
municipality absent the proposed first home investment zone;
- 2697 (iii) an evaluation of the proposal and a determination of the adequacy and efficiency of the proposal;
- 2699

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- (iv) an evaluation of the proposed tax increment capture needed to cover the system improvements and project improvements associated with the first home investment zone proposal and enable the proposed development to occur, and for the benefit of affordable housing projects; and
- 2703 (v) based on the market analysis and other findings, an opinion relative to the appropriate amount of potential public financing reasonably determined to be necessary to achieve the objectives described in Subsection 63N-3-1602(1).
- 2706 (c) After receiving notice from the Governor's Office of Economic Opportunity of a proposed first home investment zone as described in Subsection (3)(a)(i), the municipality, in consultation with the county assessor and the State Tax Commission, shall:
- 2710 (i) evaluate the feasibility of administering the tax implications of the proposal; and
- 2711 (ii) provide a letter to the Governor's Office of Economic Opportunity describing any challenges in the administration of the proposal, or indicating that the county assessor can feasibly administer the proposal.
- 2714 (4) After receiving the results from the analysis described in Subsection (3)(b), the municipality proposing the first home investment zone may:
- 2716 (a) amend the first home investment zone proposal based on the findings of the analysis described in Subsection (3)(b) and request that the Governor's Office of Economic Opportunity submit the amended first home investment zone proposal to the housing and transit reinvestment zone committee; or
- 2720 (b) request that the Governor's Office of Economic Opportunity submit the original first home investment zone proposal to the housing and transit reinvestment zone committee.
- 2723 (5)
- (a) The Governor's Office of Economic Opportunity may accept, as a dedicated credit, up to \$20,000 from a municipality for the costs of the gap analysis described in Subsection (3)(b).
- 2726 (b) The Governor's Office of Economic Opportunity may expend funds received from a municipality as dedicated credits to pay for the costs associated with the gap analysis described in Subsection (3)(b).
- 2729 (6)
- (a) Beginning January 1, 2028:
- 2730 (i) a municipality may not propose a first home investment zone;
- 2731 (ii) a municipality may amend a first home investment zone proposal, as described in Subsection (4), if the proposal was pending on December 31, 2027; and

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- 2733 (iii) the Governor's Office of Economic Opportunity may not fulfill the duties described in Subsection (3) or (5) in regard to a proposal for a first home investment zone unless the proposal was pending on December 31, 2027.
- 2736 (b) First home investment zones that are in existence on January 1, 2028, continue to exist and shall comply with the relevant requirements of this part until the housing and transit reinvestment zone is dissolved.
- 2805 Section 42. Section **42** is enacted to read:
- 2808 **63N-3a-101. Definitions.**
- 3a. Coordination of Regional Economic Development Activity
1. General Provisions
- As used in this chapter:
- 2744 (1) "Affordable housing" means:
- 2745 (a) for homes that are not owner occupied, housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the county median gross income for households of the same size; or
- 2748 (b)
- (i) for homes that are owner occupied, housing that is priced at 80% of the county median home price;
or
- 2750 (ii) for homes that are owner occupied, housing that is priced at 80% of the zip code median home price if:
- 2752 (A) the proposal demonstrates that a deviation from the county median home price will achieve the objectives described in Section 63N-3a-103; and
- 2754 (B) the zip code median home price is based upon county property tax assessment data.
- 2756 (2) "Agency" means the same as that term is defined in Section 17C-1-102.
- 2757 (3) "Base taxable value" means a property's taxable value as shown upon the assessment roll last equalized during the base year.
- 2759 (4) "Base year" means~~the calendar year:~~
- 2760 ~~{(a) {for property tax increment, the calendar year:} }~~
- 2761 (i){(a) } {immediately before the year} in which the committee approves a regionally significant development zone; or
- 2763

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- (ii) ~~(b)~~ ~~{ in which }~~ established by the committee ~~{ approves a }~~ in approving the regionally significant development zone ~~{;}~~, which shall be the year before property tax increment collection is triggered.
- 2764 ~~{(b) { for sales and use tax increment, a sales and use tax year specified in the approved proposal; } }~~
- 2766 ~~{(c) { for municipal energy tax increment, a tax year specified in the approved proposal; and } }~~
- 2767 ~~{(d) { for transient room tax increment, a tax year specified in the approved proposal. } }~~
- 2768 (5) "Bus rapid transit" means a high-quality bus-based transit system that delivers fast and efficient service that may include dedicated lanes, busways, traffic signal priority, off-board fare collection, elevated platforms, and enhanced stations.
- 2771 (6) "Bus rapid transit station" means an existing station, stop, or terminal, or a proposed station, stop, or terminal that is specifically identified as needed in phase one of a metropolitan planning organization's adopted long-range transportation plan:
- 2774 (a) along an existing bus rapid transit line; or
- 2775 (b) along an extension to an existing bus rapid transit line or new bus rapid transit line.
- 2776 (7) "Committee" means the increment financing committee created in Section 63N-3a-102.
- 2777 (8)
- (a) "Commuter rail" means a regional passenger rail transit facility operated by a large public transit district.
- 2779 (b) "Commuter rail" does not include a light-rail passenger rail facility of a large public transit district.
- 2781 (9) "Commuter rail station" means an existing station, stop, or terminal, or a proposed station, stop, or terminal, which has been specifically identified as needed in phase one of a metropolitan planning organization's adopted long-range transportation plan and in phase one of the relevant public transit district's adopted long-range transit plan:
- 2785 (a) along an existing commuter rail line;
- 2786 (b) along an extension to an existing commuter rail line or new commuter rail line;
- 2787 (c) along a fixed guideway extension from an existing commuter rail line; or
- 2788 (d) at the landing point of a pedestrian bridge or vehicle bridge extending from an existing commuter rail station.
- 2790 (10) "Creating entity" means:
- 2791 (a) a municipality; or
- 2792 (b) a county.
- 2793 (11)

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- (a) "Developable area" means the portion of land within a zone available for development and construction of uses that met the relevant objectives described in { Section 63N-3a-104 } Part 3, Specific Provisions for Certain Zones.
- 2796 (b) "Developable area" does not include portions of land within a zone intended for { housing } development that are allocated to:
- 2798 (i) parks;
- 2799 (ii) open spaces;
- 2800 (iii) trails;
- 2801 (iv) parking;
- 2802 (v) roadway facilities; or
- 2803 (vi) other public facilities.
- 2804 (12) "Dwelling unit" means one or more rooms arranged for the use of one or more individuals living together, as a single housekeeping unit, with cooking, living, sanitary, and sleeping facilities.
- 2807 (13) "Enhanced development" means the construction of mixed uses including housing, commercial, recreational, and related facilities.
- 2809 (14) "Enhanced development costs" means extra costs associated with structured parking costs, vertical construction costs, horizontal construction costs, life safety costs, structural costs, conveyor or elevator costs, and other costs incurred due to the increased height of buildings or enhanced development.
- 2813 (15) "Extraterritorial home" means a dwelling that is included as part of a proposal that:
- 2814 (a) is located within the municipality making the proposal but outside the boundary of the proposed project area;
- 2816 (b) is part of a development with a density of at least six units per acre;
- 2817 (c) is not located within an existing project area, a housing and transit reinvestment zone, a first home investment zone, or an area that could be included in a housing and transit reinvestment zone or a first home investment zone;
- 2820 (d) has not been issued a building permit by the municipality as of the date of the approval of the project area; and
- 2822 (e) is required to be owner occupied for no less than 25 years.
- 2823 (16) "Fixed guideway" means the same as that term is defined in Section 59-12-102.
- 2824 (17) "High-density residential" means a minimum of 30 residential units per acre.

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- 2825 (18) "Home" means a dwelling unit.
- 2826 (19) "Horizontal construction costs" means the additional costs associated with earthwork, over excavation, utility work, transportation infrastructure, and landscaping to achieve enhanced development in a regionally significant development zone.
- 2829 (20) "Impacted primary area" means land described in a proposal:
- 2830 (a) outside of a proposed zone boundary; and
- 2831 (b) that is crucial to one or more aspects of the development of the zone.
- 2832 (21) "Increment financing" means a public entity's utilization of:
- 2833 (a) property tax increment;or
- 2834 {~~(b)~~ {~~local sales and use tax increment; or~~} }
- 2835 (c){(b)} any other portion of public revenue that is calculated using a base year and revenue growth following the base year, if the public revenue is authorized for use by a committee.
- 2838 (22) "Large public transit district" means the same as that term is defined in Section 17B-2a-802.
- 2840 (23) "Light rail" means a passenger rail public transit system with right-of-way and fixed rails:
- 2842 (a) dedicated to exclusive use by light-rail public transit vehicles;
- 2843 (b) that may cross streets at grade; and
- 2844 (c) that may share parts of surface streets.
- 2845 (24) "Light rail station" means an existing station, stop, or terminal or a proposed station, stop, or terminal, which has been specifically identified as needed in phase one of a metropolitan planning organization's adopted long-range transportation plan:
- 2848 (a) along an existing light rail line; or
- 2849 (b) along an extension to an existing light rail line or new light rail line.
- 2850 (25) "Major sporting event venue" means the same as that term is defined in Section 63N-3-1701.
- 2852 (26) "Metropolitan planning organization" means the same as that term is defined in Section 72-1-208.5.
- 2854 (27) "Mixed use development" means development with a mix of:
- 2855 (a) multi-family residential use; and
- 2856 (b) at least one additional land use, which shall be a significant portion of the overall development.
- 2858 (28) "Moderate income housing" means residential units where a household whose income is no more than 80% of the area median income is able to occupy the housing unit paying no more than 30% of the household's income for gross housing costs, including utilities.

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- 2862 (29) "Municipality" means the same as that term is defined in Section 10-1-104.
- 2863 (30) "Notification of increment financing" means a document, physical or electronic, provided
by a regional economic development authority to the office describing the regional economic
development authority's intent to trigger and utilize one or more forms of increment financing.
- 2867 (31)
- (a) "Owner occupied" means private real property that is:
- 2868 (i) used for a single-family residential purpose; and
- 2869 (ii) occupied by the owner of the real property.
- 2870 (b) "Owner occupied" includes real property that is used for a multi-family residential purpose if each
dwelling unit on the real property is occupied by the owner of the dwelling unit.
- 2873 (32) "Participant" means the same as that term is defined in Section 17C-1-102.
- 2874 (33) "Participation agreement" means the same as that term is defined in Section 17C-1-102, except that
the agency may not provide and the person may not receive a direct subsidy.
- 2876 (34) "Project" means the enterprise to be pursued through the proposal of a regionally significant
development zone.
- 2878 (35)
- (a) "Project improvements" means site improvements and facilities that are:
- 2879 (i) planned and designed to provide service for development resulting from a development activity;
- 2881 (ii) necessary for the use and convenience of the occupants or users of development resulting from
a development activity; and
- 2883 (iii) not identified or reimbursed as a system improvement.
- 2884 (b) "Project improvements" does not mean system improvements.
- 2885 (36)
- (a) "Property tax increment" means the difference between:
- 2886 (i) the amount of property tax revenue generated each tax year by {a} all taxing {entity} entities,
except as provided in Subsection (36)(b), from within a regionally significant development
zone, using the current assessed value and each taxing entity's current {final} certified tax rate
as defined in Section 59-2-924; and
- 2889 (ii) the amount of property tax revenue that {was} would be generated from that same area {during
} using the base {year} taxable value and each taxing entity's current certified tax rate as
defined in Section 59-2-924.

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- 2891 (b) "Property tax increment" does not include property tax revenue from:
- 2892 (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);
- 2893 (ii) a county additional property tax described in Subsection 59-2-1602(4);
- 2894 (iii) a levy imposed by a public infrastructure district as described in Section 17D-4-303; or
- 2896 (iv) a public library fund levy described in Subsection 9-7-501(2).
- 2897 (37) "Proposal" means a document, physical or electronic, developed by a creating entity:
- 2898 (a) outlining the need for the creation of a regionally significant development zone;
- 2899 (b) explaining whether the zone is proposed to create:
- 2900 (i) a regionally significant {~~transient-oriented~~} transit-oriented development, as described in Section
63N-3a-301;
- 2902 (ii) a regionally significant first home village, as described in Section 63N-3a-302;
- 2903 (iii) a regionally significant major sporting event venue, as described in Section 63N-3a-303; and
- 2905 (iv) a regionally significant economic development opportunity, as described in Section 63N-3a-304;
- 2907 (c) describing how the relevant objectives would be achieved by the creation of the regionally
significant development zone;
- 2909 (d) describing the boundaries of the proposed regionally significant development zone;
- 2910 (e) describing the impacted primary area, if any, of a proposed regionally significant development zone;
and
- 2912 (f) that is submitted to a committee.
- 2913 (38) "Public transit county" means a county that has created a small public transit district.
- 2914 (39) "Public transit hub" means a public transit depot or station where four or more routes serving
separate parts of the county-created transit district stop to transfer riders between routes.
- 2917 (40) "Qualified development zone" means the property within a project area, and, if applicable, the
impacted primary area, as approved by the committee.
- 2919 (41) "Regional economic development authority" means:
- 2920 (a) the Utah Inland Port Authority created in Section 11-58-201;
- 2921 (b) the Point of the Mountain Land Use Authority created in Section 11-59-201;
- 2922 (c) the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201; or
- 2924 (d) the Military Installation Development Authority created in Section 63H-1-201.
- 2925 (42)
- (a) "Regionally significant development zone" means an area:

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- 2926 (i) created as described in Part 2, Creation of Regionally Significant Development Zones;
2928 (ii) governed as described in Title 17C, Chapter 6, Regionally Significant Development Zone Act;
and
2930 (iii) in which a creating entity is able to promote efficient use of transit, housing affordability, {and
} or regional economic growth.
- 2932 ~~{(43) {"Sales and use tax boundary" means a boundary designated in a proposal and established as~~
~~described in Section 63N-3a-205 based on sales and use tax collection boundaries that correspond as~~
~~closely as reasonably practicable to the regionally significant development zone boundary.}}~~
- 2936 ~~{(44) {"Sales and use tax increment" means the difference between:}}~~
- 2937 ~~{(a) {the amount of local sales and use tax revenue generated in a year following the base year by the~~
~~sales and use tax from the area within a sales and use tax boundary, as designated in the approved~~
~~proposal; and}}~~
- 2940 ~~{(b) {the amount of local sales and use tax revenue that was generated from the area described in~~
~~Subsection (44)(a) during the sales and use tax base year.}}~~
- 2942 (45){(43)} "Small public transit district" means the same as that term is defined in Section 17B-2a-802.
2944 (46){(44)}
- (a) "System improvements" means existing and future public facilities that are designed to provide
services to service areas within the community at large.
- 2946 (b) "System improvements" does not mean project improvements.
- 2947 (47){(45)} "Tax commission" means the State Tax Commission created in Section 59-1-201.
2948 (48){(46)} "Taxing entity" means the same as that term is defined in Section 17C-1-102.
2949 (49){(47)}
- (a) "Tax increment" means the difference between:
- 2950 (i) the amount of tax revenue generated each tax year from a particular revenue source by all taxing
entities within a particular area after an established base year; and
- 2953 (ii) the amount of revenue that would be generated from the same particular revenue source and
from the same particular area during the established base year.
- 2955 (b) "Tax increment" includes tax differential, property tax allocation, enhanced property tax revenue,
property tax augmentation, {sales and use differential, sales and use tax increment,} or any other
term that meets the definition described in Subsection {(49)(a)} (47)(a).
- 2958 ~~{(50) {"Transient room tax" means the same as that term is defined in Section 17-78-701.}}~~

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- 2959 (51){(48)} "Transportation system" means:
- 2960 (a) a street, alley, road, highway, pathway, or thoroughfares of any kind, including connected structures;
- 2962 (b) an airport or aerial transit infrastructure;
- 2963 (c) a light rail and light rail station;
- 2964 (d) a public transit facility; or
- 2965 (e) any other modes or forms of conveyance used by the public.
- 2966 {~~(52) {"Unencumbered annual community reinvestment agency revenue" means property tax increment revenue received by the agency for purposes identified in Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act, that:}~~}
- 2969 {~~(a) {have not been designated or restricted for future qualified uses as approved by the agency board related to a specific project area; and}~~}
- 2971 {~~(b) {do not have a date certain by which the property tax increment revenues will be used.}~~}
- 2972 (53){(49)} "Vertical construction costs" means the additional costs associated with construction above four stories and structured parking to achieve enhanced development in a project area.
- 3020 Section 43. Section **43** is enacted to read:
- 3021 **63N-3a-102. Increment authorization committee -- Creation.**
- 2977 (1) For any project proposed under this chapter that requires the use of tax increment, there is created an increment authorization committee with membership described in Subsection (2).
- 2980 (2) Each increment authorization committee shall consist of the following members:
- 2981 (a) the executive director or the executive director's designee;
- 2982 (b) the executive director of the Department of Transportation created in Section 72-1-201 or the executive director's designee;
- 2984 (c) one individual from the Office of the State Treasurer, designated by the state treasurer;
- 2986 (d) two members designated by the president of the Senate;
- 2987 (e) two members designated by the speaker of the House of Representatives;
- 2988 (f) one representative representing the largest participating local taxing entity by population, after the creating entity, in the proposed zone;
- 2990 (g) one representative from the creating entity; and
- 2991 (h)
- (i) if a proposal addresses affordable housing, moderate income housing, or {creates} addresses a regionally significant first home village;

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- 2993 (A) one representative from the office, designated by the executive director, who works on housing
policy; and
- 2995 (B) two representatives designated by the school superintendent from the largest school district by
student population affected by the proposal;
- 2997 (ii) if a proposal addresses a regionally significant {transit} transit-oriented zone, one member
appointed by the governor:
- 2999 (A) from the Transportation Committee created in Section 72-1-301; or
- 3000 (B) a member of the board of trustees of a large public transit district;
- 3001 (iii) if a proposal addresses a major sporting event venue that will be used during an Olympic Games,
one member of the executive committee for the Salt Lake City-Utah Committee for the Games;
- 3004 (iv) if a proposal addresses a major sporting event venue that will not be used during an Olympic
Games, one individual with expertise in a professional sports industry, appointed by the governor;
and
- 3052 (v) if a proposal addresses a regionally significant economic development opportunity that is not
described in Subsections (2)(h)(i) through (iv):
- 3054 (A) the director of the Office of Energy Development created in Section 79-6-401; and
- 3007 (v){(B)} {if a proposal addresses a regionally significant economic development opportunity that is not
described in Subsections (2)(h)(i) through (iv);-} any individual with relevant expertise appointed by
the governor.
- 3010 (3) A majority of committee members constitutes a quorum.
- 3011 (4) A majority vote of a quorum constitutes action by the committee.
- 3059 Section 44. Section 44 is enacted to read:
- 3060 **63N-3a-103. Executive director duties -- Contracting.**
- 3014 (1) In addition to the duties described in Section 63N-1a-303, the executive director shall coordinate
the use of increment financing to achieve the state's long-term housing and economic development
goals while balancing the need of local communities to protect tax base and continue to provide
essential services to a growing population.
- 3018 (2) Following the office's evaluation of a proposal, as described in Section 63N-3a-202, the executive
director shall:
- 3020

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- (a) determine whether the proposal demonstrates broad regional benefits to the state and the state's residents, including the provision of affordable housing, enhancing statewide infrastructure, or contributing to economic resilience;
- 3023 (b) evaluate the proposal by considering:
- 3024 (i) the impact of proposed increment financing on residents; and
- 3025 (ii) existing uses of increment in the proposed area; and
- 3026 (c) provide the proposal, with the executive director's determination and recommendation, to the committee for consideration.
- 3028 (3) The executive director shall:
- 3029 (a) coordinate a committee's evaluation of a proposal; and
- 3030 (b) maintain active communication with regional economic development authorities regarding increment financing.
- 3032 (4)
- (a) Subject to Subsections (4)(b) and (c), the office may enter into a contract with an independent consultant ~~{, another executive branch agency, }~~ or a regional economic development authority ~~{, or a political subdivision }~~ with expertise in analyzing economic development opportunities and managing increment financing to assist the office in the performance of the duties described in this chapter.
- 3037 (b) A regional economic development authority ~~{or political subdivision }~~ may not perform the duties described in Subsection (4)(a) in regard to a proposal if the regional economic development authority ~~{or political subdivision }~~ is directly financially impacted by the proposal.
- 3041 (c) An independent consultant contracted to assist the office under Subsection (4)(a) may not advise the creating entity or any party with a financial stake in the proposed regionally significant development zone.
- 3089 Section 45. Section **45** is enacted to read:
- 3090 **63N-3a-104. Maximum number of zones per county.**
- 3046 (1) As used in this section, "increment zone" means:
- 3047 (a) a housing and transit reinvestment zone;
- 3048 (b) a convention center reinvestment zone;
- 3049 (c) a first homes investment zone;
- 3050 (d) a home ownership promotion zone;

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- 3051 (e) a major sporting event venue zone;and
- 3052 (f) an electrical energy development zone{~~and~~} .
- 3053 {~~(g) {a regionally significant development zone.}~~}
- 3054 (2) In any given county, the maximum number of increment zones at light rail stations, not including a convention center reinvestment zone, is eight.
- 3056 (3) Within a county of the first class, as classified under Section 17-60-104:
- 3057 (a) the maximum number of housing and transit reinvestment zones at bus rapid transit stations is three;
- 3059 (b) the maximum total combined number of housing and transit reinvestment zones and first home investment zones is 11; and
- 3061 (c) the maximum total combined number of increment zones, ~~not including a convention center reinvestment zone,~~ is 14.
- 3107 Section 46. Section **46** is enacted to read:
- 3108 **63N-3a-105. Rulemaking.**
- In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office may make rules as necessary to fulfill the duties described in this chapter.
- 3111 Section 47. Section **47** is enacted to read:
- 3113 **63N-3a-201. Process to propose -- Advance consultation -- Proposal requirements -- Consultation and public comment required -- Office review.**
2. Creation of Regionally Significant Development Zones
- 3070 (1)
- (a) A creating entity may propose the creation of a regionally significant development zone:
- 3072 (i) within the jurisdictional boundaries of the creating entity; and
- 3073 (ii) as provided in this section.
- 3074 (b) One or more creating entities may jointly propose a regionally significant development zone, and be treated as a single creating entity for the purposes of this part, if:
- 3077 (i) the creating entities first enter an interlocal agreement governing how the creating entities shall manage the zone, if approved; or
- 3079 (ii) the creating entities include a proposed interlocal agreement the creating entities will enter upon approval of the zone.
- 3081 (c) An interlocal agreement described in Subsection (1)(b) shall meet the requirements of Section 17C-6-102.

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- 3083 (2) Before a creating entity may submit a proposal to the office as described in this section:
- 3084 (a) the legislative body of the creating entity shall:
- 3085 (i) submit a draft of the proposal to every school district that would be impacted by the creation of a
regionally significant development zone, as described in the proposal, to discuss the requirements of
the proposal;
- 3088 (ii) provide a school district described in Subsection (2)(a)(i) no less than {60} 30 calendar days to
offer the creating entity feedback on the draft proposal; and
- 3090 (iii)
- (A) hold a public meeting on the proposal to create a regionally significant development zone; and
- 3092 (B) provide notice of the public meeting as a class A notice as described in Section 63G-30-102 for at
least 10 days; {and}
- 3094 (b) if the creating entity is a municipality, the municipal legislative body shall:
- 3095 (i) submit a draft of the proposal to the county legislative body where the {municipality and} proposed
regionally significant development zone {are} is located; and
- 3098 (ii) provide the county no less than 30 days to offer the creating entity feedback on the draft proposal,
including a finding of whether the county legislative body considers the proposed project regionally
significant{-}; and
- 3145 (c) submit a draft of the proposal to every affected local taxing entity that will be required to participate
in the regionally significant development zone at least 30 days before the creating entity submits a
proposal to the office.
- 3101 (3)
- (a) A creating entity shall include any feedback or public comment received under Subsection (2) in a
proposal submitted to the office.
- 3103 (b) A creating entity may provide the public entity's response to any feedback or public comment
described in Subsection (3)(a) along with the proposal.
- 3105 (4) A creating entity shall submit a proposal to the office in a form and manner determined by the
office.
- 3107 (5) A proposal made under this chapter shall:
- 3108 (a) demonstrate how the proposed zone addresses:
- 3109 (i) for a regionally significant transit-oriented development, the objectives and requirements described
in Section 63N-3a-301;

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- 3111 (ii) for a regionally significant first home village, the objectives and requirements described in Section 63N-3a-302;
- 3113 (iii) for a regionally significant major sporting event venue, the objectives and requirements described in Section 63N-3a-303; and
- 3115 (iv) for a regionally significant economic development opportunity, the objectives and requirements described in Section 63N-3a-304;
- 3117 (b) describe the development impediments and market conditions that render a development cost prohibitive absent the financial incentives described in this chapter and for which the creating entity requests approval to utilize in the proposal;
- 3120 (c) include a pro forma analysis that includes data showing the cost difference between:
- 3121 (i) what type of redevelopment or development could feasibly occur without the creation of a regionally significant development zone; and
- 3123 (ii) the type of redevelopment or development that is proposed to occur with the creation of a regionally significant development zone and the accompanying regionally significant development zone revenue; and
- 3126 (d) include any other information the office requires by rule.
- 3127 ~~{(6) {A proposal may include:}}~~
- 3128 (a) ~~{(6) }~~ A proposal may include a request to capture property tax increment, the entirety of personal property tax revenue, or both~~{:}~~.
- 3130 ~~{(b) {a request to capture local sales and use tax increment; and}}~~
- 3131 ~~{(c) {an explanation of the creating entity's intent to implement a tax described in Section 17C-6-201, either immediately upon the creation of the regionally significant development zone or on a specified timeline following the creation of the regionally significant development zone.}}~~
- 3135 (7) A regionally significant development zone may not be smaller than 10 acres.
- 3136 (8)
- 3137 (a) After receiving a proposal, the office shall:
- 3139 (i) provide notice of the proposal to all affected taxing entities, including the tax commission, municipalities, counties, school districts, and special districts;
- 3141 (ii) provide notice of the proposal to any impacted metropolitan planning organizations;
- 3141 (iii) provide notice of the proposal to the county assessor and county auditor of every county in which a proposed regionally significant development zone would be wholly or partially located;

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- 3144 (iv) evaluate the feasibility of administering the tax implications of the proposal;
3145 (v) evaluate the pro forma analysis included in the proposal; and
3146 (vi) following the evaluations described in Subsections (8)(a)(iv) and (v), provide any findings the
office makes to the creating entity.
- 3148 (b) In conducting the evaluations described in Subsections (8)(a)(iv) and (v), the office:
3149 (i) shall consult with the tax commission and the relevant county assessor and county auditor; and
3151 (ii) may consult with an independent consultant, { ~~executive branch agency,~~ } regional land use
authority, or political subdivision as described in Section 63N-3a-103.
- 3153 (c)
(i) The office shall provide any findings following the evaluations described in Subsections (8)(a)(iv)
and (v) to the creating entity.
- 3155 (ii) After receiving the findings described in Subsection (8)(b)(vi), the creating entity may:
3157 (A) amend the proposal and request the office submit the amended proposal to the committee; or
3159 (B) request the office submit the original proposal to the committee.
- 3160 (9) If the office determines a proposal meets the requirements of this section, the office shall:
3162 (a) notify the creating entity;
3163 (b) provide the proposal to the executive director for the executive director's evaluation and
recommendation, as described in Section 63N-3a-103; and
- 3165 (c) notify the relevant individuals described in Section 63N-3a-102 that an increment financing
committee is convened to consider a proposal.
- 3208 Section 48. Section 48 is enacted to read:
3209 **63N-3a-202. Committee consideration of a proposal.**
- 3169 (1) The proposing creating entity shall present the proposal to the committee in a public meeting.
3171 (2) Before voting to approve or deny a proposal, the committee shall evaluate and verify whether the
proposal adequately addresses relevant objectives and requirements described in Part 3, Specific
Provisions.
- 3174 (3) In considering a proposal, a committee may request any information from a creating entity needed
to make a determination about whether to approve or deny a proposal, or approve a proposal with
modifications, including a description of the proposed uses of funds and how funds will be used to
support public projects related to the regionally significant development zone.
- 3179 (4) The committee may:

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- 3180 (a) request changes to the proposal;
- 3181 (b) vote to approve the proposal, with or without modifications to the proposal; or
- 3182 (c) vote to deny the proposal.
- 3183 (5) If the committee votes to approve the proposal, with or without modifications, the committee shall
{ fulfill the requirements of Section 63N-3a-203.} :
- 3226 (a) fulfill the requirements of Section 63N-3a-203; and
- 3227 (b) establish any parameters described in Section 63N-3a-204.
- 3228 Section 49. Section 49 is enacted to read:
- 3229 **63N-3a-203. Approval process -- Creation of a regionally significant development zone --**
Boundaries.
- 3188 (1) If the committee votes to approve a proposal, as described in Section 63N-3a-202:
- 3189 (a) a regionally significant development zone is created as of the effective date and subject to the
governance requirements described in Section 63N-3a-206;
- 3191 (b) affected local taxing entities are required to participate according to the terms approved by the
committee; and
- 3193 (c) each affected taxing entity is required to participate at the same rate.
- 3194 (2)
- 3195 (a) The effective date of a regionally significant development zone is the later of:
- 3197 (i) January 1 following the approval of the proposal, if the committee approves the proposal on or
before September 30; or
- 3199 (ii) January 1 following the year after the year in which the committee approves the proposal.
- 3201 (b) A creating entity may not trigger the collection of tax increment within a regionally significant
development zone before the effective date.
- 3201 {~~(3)~~ }
- 3202 (a){~~(3)~~} In approving a proposal, the committee shall establish:
- 3204 (i){~~(a)~~} the qualified development zone boundary for the purpose of calculating property tax
increment;
- 3207 (ii) {~~in consultation with the tax commission, the sales and use tax boundary for the purpose of~~
~~calculating local sales and use tax increment, municipal energy tax increment, or transient room~~
~~tax increment; }~~}

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- (iii){(b)} for each proposed source of tax increment other than property tax, the maximum number of consecutive years a creating entity's agency may collect and use increment, not to exceed 25 years; and
- 3210 (iv){(c)} the maximum amount of tax increment revenue, in total and from each proposed source, that may be captured in the regionally significant development zone.
- 3212 (4)
- (a) In accordance with Section 63N-3a-204, for any proposal requesting approval of the use of property tax increment, the committee shall also establish:
- 3214 (i) the property tax base {~~year, which shall be either:~~} year;
- 3215 {(A) {~~the year before the year in which the committee approves the proposal; or~~}
- 3216 {(B) {~~the year the committee approves the proposal; and~~}
- 3217 (ii) the percentage of property tax increment allowed to be captured within and used on behalf of a regionally significant development zone, not to exceed {~~60% of all property tax increment generated within the property tax boundary.~~} the limits described in Section 63N-3a-204; and
- 3258 (iii) the maximum amount of property tax increment revenue that an agency may collect for a regionally significant development zone.
- 3220 (b) The base taxable value of land within a regionally significant development zone is determined as of January 1 of the base year established by the committee under Subsection (4)(a).
- 3263 (c)
- 3223 (c){(i)} {~~A~~} Except as provided in Subsection (4)(c)(ii), a creating entity may propose, and a committee may approve, the diversion of all the revenue attributed to personal property tax generated within a regionally significant development zone to the regionally significant development zone for a period not to exceed 25 years.
- 3267 (ii) A creating entity proposing a zone described in Part 4, Regionally Significant Zones with Energy Implications, shall propose the diversion of all the revenue attributed to personal property tax generated within a regionally significant development zone to the regionally significant development zone for a period not to exceed 25 years.
- 3227 (d) In accordance with Section 63N-3a-204and except as provided in Section 63N-3a-403, for a proposal requesting approval of the use of property tax increment or personal property tax diversion, the committee shall establish a percentage of revenue that the creating entity's agency shall transfer to the state treasurer for deposit into the State Reinvestment {~~Fund~~} Restricted Account created

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in Section ~~{51-14-201}~~ 51-9-1002, which shall be at least 5% but no more than 25% of the total annual revenue an agency receives ~~{as regionally significant development zone revenue}~~ from property tax sources described in this Subsection (4).

3234 ~~{(5)}~~ }

~~{(a) {In accordance with Section 63N-3a-205, for any proposal requesting approval of the use of local sales and use tax increment, the committee shall also:}}~~ }

3236 ~~{(i) {determine whether the proposed regionally significant development zone may collect local sales and use tax increment; and}}~~ }

3238 ~~{(ii) {establish the percentage of sales and use tax increment to be collected for the benefit of a regionally significant development zone, not to exceed the percentage requested in the proposal.}}~~ }

3241 ~~{(b) {The committee shall:}}~~ }

3242 ~~{(i) {evaluate a request to utilize sales and use tax increment in conjunction with data provided in the pro forma analysis, demonstrating the need for revenue sources to achieve the objectives of the proposed regionally significant development zone; and}}~~ }

3246 ~~{(ii) {authorize the use of local sales and use tax increment only as needed to achieve the objectives of the proposed regionally significant development zone.}}~~ }

3248 (6){(5)} Within 30 days after the committee approves a proposal, the creating entity shall:

3249 (a) record with the recorder of the county in which the regionally significant development zone is located a document containing:

3251 (i) a description of the land within the regionally significant development zone and, if applicable, primary project area;

3253 (ii) the approval date; and

3254 (iii) the effective date;

3255 (b) transmit a copy of the description of the land within the regionally significant development zone and an accurate map or plat indicating the boundaries of the regionally significant development zone, and if applicable, primary project area to the Utah Geospatial Resource Center created under Section 63A-16-505; and

3259 (c) transmit a copy of the approved regionally significant development zone proposal, map, and legal description of the regionally significant development zone, and if applicable, primary project area, to:

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- 3262 (i) the auditor, recorder, attorney, surveyor, ~~treasurer,~~ and assessor of the county in which any part of
3264 the regionally significant development zone is located;
- 3267 (ii) the officer or officers performing the function of auditor or assessor for each taxing entity that does
not use the county assessment roll or collect the taxing entity's taxes through the county;
- 3269 (iii) the legislative body or governing board of each taxing entity affected by the regionally significant
development zone;
- 3270 (iv) the tax commission; and
- 3271 (v) the State Board of Education.
- 3271 (7){~~(6)~~} Within 90 days after the committee approves a proposal, the committee shall provide to the tax
commission:
- 3273 (a) a statement that the regionally significant development zone is established under this part;
- 3275 (b) the approval date of the proposal and the effective date of the regionally significant development
zone;
- 3277 (c) the qualified development zone boundary, if {~~applicable;~~ ~~applicable; and~~
3278 {~~(d) {the sales and use tax base year, if applicable;}~~}
- 3279 {~~(e) {the sales and use tax boundary, if applicable; and}~~}
- 3280 (f){~~(d)~~} any information about the regionally significant development zone requested by the
commission.
- 3311 Section 50. Section 50 is enacted to read:
- 3312 **63N-3a-204. Property tax increment -- Personal property tax revenue diversion --**
Remittance to the State Reinvestment {~~Fund~~} ~~Restricted Account.~~
- 3285 (1) As used in this section, "designated remitting percentage" means the percentage of property tax
increment revenue established by the committee as described in Subsection 63N-3a-203(4).
- 3288 (2)
- (a) A creating entity may propose a qualified development zone boundary that includes a project area
and an impacted primary area.
- 3290 (b) The committee may establish a qualified development zone boundary that includes:
- 3291 (i) a project area only; or
- 3292 (ii) a project area and a proposed impacted primary area.
- 3293

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(3) A creating entity's agency may receive, remit, and use property tax increment in accordance with this section and as described in Title 17C, Chapter 6, Regionally Significant Development Zones Act.

3325 (4) The creating entity or creating entity's agency:

3326 (a) may trigger the collection of property tax increment by parcel; and

3296 (4){(b)} {~~The creating entity or creating entity's agency~~} shall send notice of commencement of collection of property tax increment to the following entities by no later than October 1 of the year before the year in which property tax increment collection is proposed to commence:

3300 (a){(i)} the tax commission;

3301 (b){(ii)} the State Board of Education;

3302 (c){(iii)} the state auditor;

3303 (d){(iv)} the county auditor and county assessor of each county within the qualified development zone boundary;

3305 (e){(v)} each taxing entity to be affected by collection of property tax within the qualified development zone boundary; and

3307 (f){(vi)} the office.

3308 (5)

(a) A county that collects property tax on property located within a qualified development zone boundary shall, in accordance with Section 59-2-1365, distribute to the creating entity's agency:

3311 (i) the percentage of property tax increment established by the committee as described in Subsection 63N-3a-203(4), not to exceed {60%; and} :

3343 (A) 70% for a regionally significant transit-oriented zone;

3344 (B) 70% for a regionally significant first home village;

3345 (C) 60% for a regionally significant major sporting event venue; or

3346 (D) 60% for a regionally significant economic development opportunity; and

3313 (ii) all of the personal property tax revenue generated within the boundary, if approved by the committee under Subsection 63N-3a-203(4).

3315 (b) Property tax revenue distributed to a creating entity's agency in accordance with this Subsection (5):

3317 (i) is not revenue of the taxing entity, the creating entity, or the creating entity's agency; and

3319 (ii) constitutes regionally significant development zone funds and shall be administered as described in Section 17C-6-203.

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- 3321 (6) The creating entity's agency may receive property tax increment within a qualified development zone boundary for:
- 3323 (a) up to 25 total years, subject to any limit established by the committee under Subsection 63N-3a-203(4); and
- 3325 (b) no longer than 40 years after the effective date of the regionally significant development zone.
- 3327 (7) No later than March 1, the agency for a regionally significant development zone shall transfer the {~~designated~~} established remitting percentage of {~~property tax increment~~} revenue collected in the previous calendar year to the state treasurer for deposit into the State Reinvestment Restricted Account created in Section {~~51-9-1001~~} 51-9-1002.
- 3331 (8) Once the maximum amount of property tax increment has been distributed to the creating entity's agency, as established by the committee in Subsection 63N-3a-203(4), the county that collects property tax on property located within a qualified development zone boundary is no longer obligated to distribute property tax increment generated within the qualified development zone boundary or personal property tax revenue to the creating entity's agency.
- 3371 Section 51. Section **51** is enacted to read:
- 3372 **63N-3a-205. {~~Local sales and use tax increment~~} Compliance with terms of approved proposal required -- Modifications to a regionally significant development zone -- Boundary adjustments.**
- 3339 {~~(1) {A proposal may, in consultation with the tax commission:} }~~}
- 3340 {~~(a) {propose the use of local sales and use increment;} }~~}
- 3341 {~~(b) {propose a sales and use tax boundary as described in Subsection (2); and} }~~}
- 3342 {~~(e) {propose the percentage of sales and use tax increment to be captured by the creating entity.} }~~}
- 3344 {~~(2) }~~}
- {~~(a) {The creating entity, in consultation with the tax commission, shall propose a sales and use tax boundary that:} }~~}
- 3346 {~~(i) {is based on sales and use tax collection boundaries, which are determined using the ZIP Code as defined in Section 59-12-102, including the four digit delivery route extension;} }~~}
- 3349 {~~(ii) {follows as closely as reasonably practicable the boundary of the regionally significant development zone; and} }~~}
- 3351 {~~(iii) {is one contiguous area that includes at least the entire boundary of the regionally significant development zone.} }~~}

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- 3353 ~~{(b) {If a sales and use tax boundary is bisected by the qualified development zone boundary of the regionally significant development zone, the regionally significant development zone may include the entire sales and use tax boundary.}}~~
- 3356 ~~{(3) {Subject to the requirements of Subsection (2), the committee may establish a different sales and use tax boundary than the proposed boundary when approving a regionally significant development zone proposal.}}~~
- 3359 ~~{(4) {A regionally significant development zone sales and use tax boundary, as approved by the committee, is the qualified development zone for purposes of the calculations in Sections 59-12-103 and 59-12-205.}}~~
- 3362 ~~{(5) {A creating entity may only trigger one sales and use tax increment collection period for a regionally significant development zone.}}~~
- 3364 ~~{(6) {A creating entity's agency may collect local sales and use tax increment within a sales and use tax boundary for:}}~~
- 3366 ~~{(a) {up to the total number of years established by the committee under Subsection 63N-3a-203(4); and}}~~
- 3368 ~~{(b) {no longer than 40 years after the effective date of the regionally significant development zone.}}~~
- 3370 ~~{(7) {A creating entity's agency may receive and use local sales and use tax increment in accordance with this section and as described in Title 17C, Chapter 6, Regionally Significant Development Zones Act.}}~~
- 3373 ~~{(8) {The creating entity of a regionally significant development zone shall notify the tax commission that the creating entity's agency intends to begin receiving local sales and use tax increment by no later than two fiscal quarters before distribution of local sales and use tax increment, as described in Subsection (9), may commence.}}~~
- 3377 ~~{(9) {For transactions that occur within the sales and use tax boundary, the tax commission shall provide the following information to the creating entity on a quarterly basis, after timely notice described in Subsection (8):}}~~
- 3380 ~~{(a) {the total revenue generated by transactions that occur within the sales and use tax boundary in the preceding quarter; and}}~~
- 3382 ~~{(b) {the amount of revenue the creating entity shall transfer to the creating entity's agency, calculated using the percentage of local sales and use tax increment established by the committee under Subsection 63N-3a-203(5).}}~~

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- 3385 {~~(10) {Local sales and use tax increment distributed to a creating entity's agency in accordance with this section:}~~}
- 3387 {(a) {is not revenue of the creating entity or the creating entity's agency; and}}
- 3388 (b){~~(1)~~} {constitutes} If a regionally significant development zone {funds} is approved by the committee and {shall be administered} created as described in Section {17C-6-203.} 63N-3a-203:
- 3390 ~~{(11)}~~
- 3376 (a) the regionally significant development zone is created according to the terms:
- 3377 (i) of the approved proposal, or modified approved proposal; and
- 3378 (ii) established by the committee as described in this part; and
- (a){~~(b)~~} ~~{The} the~~ creating entity ~~{shall notify the tax commission once the maximum amount of local sales and use tax increment has been distributed to}~~ or the creating entity's agency~~{,}~~ shall enter into an interlocal agreement, development agreement, or participation agreement as {approved by} necessary or required to implement the {committee} approved proposal and any established terms.
- 3393 ~~{(b) {Upon receiving the notice described in Subsection (11)(a), the tax commission is no longer obligated to provide the information described in Subsection (9).}}~~
- 3382 (2) Any aspect of a regionally significant development zone, including the approved use of zone revenue or the boundary of the qualified development zone, may be amended by following the same procedure as making a proposal under Section 63N-3a-201, except the creating entity is not required to submit an additional pro forma analysis unless requested by the office or the committee.
- 3387 (3) If the relevant county assessor or county auditor adjusts parcel or lot boundaries relevant to a regionally significant development zone, the creating entity may make corresponding adjustments to the qualified development zone.
- 3390 Section 52. Section 52 is enacted to read:
- 3391 **63N-3a-206. {Compliance with terms of approved proposal required -- Modifications to a regionally significant development zone -- Boundary adjustments} Triggering increment collection.**
- 3398 ~~{(1) {If a regionally significant development zone is approved by the committee and created as described in Section 63N-3a-203:}}~~
- In addition to any other notification requirements in this part, a creating entity of a
- 3400 (a) ~~{the}~~ regionally significant development zone ~~{is created according to}~~ shall notify each affected taxing entity within the {terms:} zone

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- 3401 { (i) ~~{ of the approved proposal, or modified approved proposal; and } }~~
- 3402 { (ii) ~~{ established by the committee as described in this part; and } }~~
- 3403 (b) at least 90 days before the creating entity ~~{ or the creating entity's agency shall: }~~ triggers a collection
period for property tax
- 3404 { (i) ~~{ enter into an interlocal agreement, development agreement, or participation agreement as~~
 ~~necessary or required to implement the approved proposal and any established terms; and } }~~
- 3407 { (ii) ~~{ for proposals that include a housing component, may not reduce the density or alter other~~
 ~~zoning uses that are permitted for the zone area at the time the proposal submitted under Section~~
 ~~63N-3a-201 or approved under Section 63N-3a-203, unless as described in Subsection (2): } }~~
- 3411 { (A) ~~{ the creating entity presents an amendment to the proposal to the committee in a public meeting~~
 ~~that demonstrates a compelling public interest to alter the approved zoning; and } }~~
- 3414 { (B) ~~{ the committee approves the amendment. } }~~
- 3415 { (2) ~~{ Except as provided in Subsections (1)(b)(ii) and (4), any aspect of a regionally significant~~
 ~~development zone, including the approved use of zone revenue or the boundary of the qualified~~
 ~~development zone or sales and use tax boundary, may be amended by following the same procedure~~
 ~~as making a proposal under Section 63N-3a-201, except the creating entity is not required to submit~~
 ~~an additional pro forma analysis unless requested by the office or the committee. } }~~
- 3421 { (3) ~~{ The committee may amend an aspect of a regionally significant development zone if, within four~~
 ~~years from the effective date of the regionally significant development zone: } }~~
- 3423 { (a) ~~{ the creating entity or the creating entity's agency fails to meet the objectives of the approved~~
 ~~proposal; or } }~~
- 3425 { (b) ~~{ an entity subject to an agreement described in Subsection (1)(b)(i) fails to meet the objectives of~~
 ~~the approved proposal. } }~~
- 3427 { (4) ~~{ If the relevant county assessor or county auditor adjusts parcel or lot boundaries relevant to a~~
 ~~regionally significant development zone, the creating entity may: } }~~
- 3429 { (a) ~~{ make corresponding adjustments to the qualified development zone; and } }~~
- 3430 { (b) ~~{ in consultation with the commission, and with the approval of the commission, make~~
 ~~corresponding adjustments to the local sales and use tax boundary. } }~~
increment for a parcel.

3396 Section 53. Section **53** is enacted to read:

3397

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63N-3a-207. {Triggering increment collection} **Payment, use, and administration of regionally significant development zone revenue.**

{In addition to any other notification requirements in this part, a} A creating entity {of a} shall designate an agency to:

- 3400 (a) administer the regionally significant development zone;
3401 (b) promote the objectives for the regionally significant development zone; and
3402 (c) be the custodian of regionally significant development zone revenue, as described in Title 17C, Chapter 6, Regionally Significant Development Zones Act.
3404 (2) An agency may share regionally significant development zone revenue with another governmental entity or a private party as described in this section.
3406 (3) Before a governmental entity that is not an agency may receive regionally significant development zone revenue from the creating entity, the creating entity or creating entity's agency and the governmental entity shall enter into an agreement governing the use of the revenue, consistent with this chapter and Title 17C, Chapter 6, Regionally Significant Development Zones Act.
3411 (4) Before a private party may receive regionally significant development zone revenue, the creating entity or creating entity's agency and the private party shall enter into an agreement governing the use of the revenue, consistent with this chapter and Title 17C, Chapter 6, Regionally Significant Development Zones Act.
3415 (5) A creating entity's agency shall use and be responsible for regionally significant development zone revenue as described in Section 17C-6-203.

The creating entity of a regionally significant development zone shall {notify each affected taxing entity within the zone} be responsible for:

{at least six months before} tracking revenue received by the creating entity {triggers a collection period for tax increment.} on behalf of the regionally significant development zone; and

- 3420 (b) reporting to the county auditor and tax commission if the creating entity receives the maximum amount of tax increment revenue from any source, as established by the committee under Section 63N-3a-203.

3423 Section 54. Section 54 is enacted to read:

3424 63N-3a-208. {Payment, use, and administration of regionally significant development zone revenue} **Applicability to an existing project area.**

3440 {(1) {A creating entity shall designate an agency to:}}

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- 3441 (a){(1)} {~~administer the~~} As used in this section, "maximum allowable increment" means the percent of property tax increment a regionally significant development zone{;} is authorized to capture and utilize, as established by the committee under this chapter.
- 3428 (2) If a regionally significant development zone overlaps an area that is part of a project area, as that term is defined in Section 17C-1-102, that parcel may not be triggered for tax increment collection unless the project area funds collection period, as that term is defined in Section 17C-1-102, has expired.
- 3432 (3) If a regionally significant development zone overlaps any portion of an existing inactive industrial site community reinvestment project area plan created in accordance with Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act:
- 3436 (a) except as provided in Subsection (5), if the community reinvestment project area plan captures less than the maximum allowable increment of the property tax increment from a taxing entity, or if a taxing entity is not participating in the community reinvestment project area plan, the regionally significant development zone may capture the difference between:
- 3441 (i) the maximum allowable increment; and
- 3442 (ii) the percentage of property tax increment captured pursuant to the community reinvestment project area plan; and
- 3444 (b) if a community reinvestment project area plan expires before the regionally significant development zone is created, the regionally significant development zone may capture the property tax increment allocated to the community reinvestment project area plan for any remaining portion of the term of the regionally significant development zone.
- 3449 (4)
- 3442 (b){(a)} {~~promote the objectives for the~~} Except as provided in Subsection (4)(b), a regionally significant development zone{;} may not overlap a housing and transit reinvestment zone or a first home investment zone.
- 3443 {(e)} {~~be the custodian of regionally significant development zone revenue, as described in Title 17C, Chapter 6, Regionally Significant Development Zones Act.~~}
- 3445 (2){(b)} {~~An agency may share~~} Subject to Subsection (5), a regionally significant development zone {revenue with another governmental entity} may overlap a housing and transit reinvestment zone or a {private party as described in this section.} first home investment zone if:
- 3447

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- {(3) ~~{Before a governmental entity that is not an agency may receive regionally significant development zone funds from the creating entity, the creating entity or creating entity's agency and the governmental entity shall enter into an agreement governing the use of the funds, consistent with this chapter and Title 17C, Chapter 6, Regionally Significant Development Zones Act.}~~ }
- 3452 {(4) ~~{Before a private party may receive regionally significant development zone funds, the creating entity or creating entity's agency and the private party shall enter into an agreement governing the use of the funds, consistent with this chapter and Title 17C, Chapter 6, Regionally Significant Development Zones Act.}~~ }
- 3456 (5){(i) ~~{A creating entity's agency shall use and be responsible for }~~ the regionally significant development zone ~~{funds as described in Section 17C-6-203.}~~ does not collect property tax increment for the area overlapping with the housing and transit reinvestment zone or the first home investment zone; or
- 3457 (ii) the regionally significant development zone does not collect property tax increment for the area overlapping with the housing and transit reinvestment zone or the first home investment zone until the collection period for the housing and transit reinvestment zone's collection of property tax increment or the first home investment zone's collection of property tax increment has ended.
- 3462 (5)
- (a) If a community reinvestment project area plan captures less than maximum allowable increment of the property tax increment from a taxing entity, or if a taxing entity is not participating in the community reinvestment project area plan, because the agency and relevant taxing entities agreed to capture a lower percentage or agreed to exclude a taxing entity from the community reinvestment project area plan, Subsection (3)(a) does not apply.
- 3468 (b) If, at the creation of a housing and transit reinvestment zone or a first home investment zone, the taxing entities agreed that tax increment collection would end on a certain date or after a certain number of years, Subsection (4)(b) does not apply unless the taxing entities that were involved in the agreement affirmatively agree to participate in the regionally significant development zone tax increment collection.
- 3473 (6) A regionally significant development zone that overlaps any portion of an existing community reinvestment project that includes a retail facility with a gross sales floor area of more than 140,000 square feet may capture up to the maximum allowable increment of the increment generated above

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the regionally significant development zone base year if the development includes at least one housing unit for every 1,250 square feet of retail space within the development.

- 3458 (6) ~~(7)~~ { ~~The creating entity of a~~ } A regionally significant development zone { ~~shall be responsible for~~ } may not overlap project areas created by the:
- 3459 { (a) { ~~tracking revenue received by the creating entity on behalf of the regionally significant development zone; and~~ } }
- 3461 { (b) { ~~reporting to the county auditor and tax commission if the creating entity receives the maximum amount of tax increment revenue from any source, as established by the committee under Section 63N-3a-203.~~ } }
- 3480 (a) Military Installation Development Authority described in Subsection 63H-1-102(17);
- 3481 (b) Utah Fairpark Area Investment and Restoration District described in Subsection 11-70-101(24); or
- 3483 (c) Utah Inland Port Authority project area described in Subsection 11-58-102(16).

3464 Section 47. Section **47** is enacted to read:

63N-3a-209. Applicability to an existing project area.

- 3466 (1) If a regionally significant development zone overlaps an area that is part of a project area, as that term is defined in Section 17C-1-102, that parcel may not be triggered for tax increment collection unless the project area funds collection period, as that term is defined in Section 17C-1-102, has expired.
- 3470 (2) If a regionally significant development zone overlaps any portion of an existing inactive industrial site community reinvestment project area plan created in accordance with Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act:
- 3474 (a) except as provided in Subsection (4), if the community reinvestment project area plan captures less than 60% of the property tax increment from a taxing entity, or if a taxing entity is not participating in the community reinvestment project area plan, the regionally significant development zone may capture the difference between:
- 3478 (i) 60%; and
- 3479 (ii) the percentage of property tax increment captured pursuant to the community reinvestment project area plan; and
- 3481 (b) if a community reinvestment project area plan expires before the regionally significant development zone is created, the regionally significant development zone may capture the property tax increment

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allocated to the community reinvestment project area plan for any remaining portion of the term of the regionally significant development zone.

3486

(3)

(a) Except as provided in Subsection (3)(b), a regionally significant development zone may not overlap a housing and transit reinvestment zone or a first home investment zone.

3489

(b) Subject to Subsection (4), a regionally significant development zone may overlap a housing and transit reinvestment zone or a first home investment zone if:

3491

(i)

(A) the regionally significant development zone does not collect property tax increment for the area overlapping with the housing and transit reinvestment zone or the first home investment zone; or

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(B) the regionally significant development zone does not collect property tax increment for the area overlapping with the housing and transit reinvestment zone or the first home investment zone until the collection period for the housing and transit reinvestment zone's collection of property tax increment or the first home investment zone's collection of property tax increment has ended; and

3500

(ii)

(A) the regionally significant development zone does not collect sales and use tax increment for the area overlapping with the housing and transit reinvestment zone or first home investment zone, if the housing and transit reinvestment zone or the first home investment zone collects sales and use tax increment; or

3505

(B) the regionally significant development zone does not collect local sales and use tax increment for the area overlapping with the housing and transit reinvestment zone or the first home investment zone until the collection period for the housing and transit reinvestment zone's collection of sales and use tax increment or the first home investment zone's collection of sales and use tax increment has ended.

3511

(4)

(a) If a community reinvestment project area plan captures less than 60% of the property tax increment from a taxing entity, or if a taxing entity is not participating in the community reinvestment project area plan, because the agency and relevant taxing entities agreed to capture a lower percentage or agreed to exclude a taxing entity from the community reinvestment project area plan, Subsection (2) (a) does not apply.

3517

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(b) If, at the creation of a housing and transit reinvestment zone or a first home investment zone, the taxing entities agreed that tax increment collection would end on a certain date or after a certain number of years, Subsection (3)(b) does not apply unless the taxing entities that were involved in the agreement affirmatively agree to participate in the regionally significant development zone tax increment collection.

3522 (5) A regionally significant development zone that overlaps any portion of an existing community reinvestment project that includes a retail facility with a gross sales floor area of more than 140,000 square feet may capture up to 60% of the increment generated above the regionally significant development zone base year if the development includes at least one housing unit for every 1,250 square feet of retail space within the development.

3484 Section 55. Section **55** is enacted to read:

3486 **63N-3a-301. Provisions specific to a regionally significant transit-oriented development.**

3. Specific Provisions for Certain Zones

3532 (1) A proposal to create a regionally significant development zone that qualifies as a regionally significant transit-oriented development, as described in this section, shall demonstrate how the proposal addresses the following objectives:

3535 (a) higher utilization of public transit;

3536 (b) increasing availability of housing, including affordable housing;

3537 (c) promoting and encouraging development of owner-occupied housing;

3538 (d) improving efficiencies in parking and transportation, including walkability of communities near public transit facilities;

3540 (e) overcoming development impediments and market conditions that render a development cost prohibitive absent the proposal and incentives;

3542 (f) conserving water resources through efficient land use;

3543 (g) improving air quality by reducing fuel consumption and motor vehicle trips;

3544 (h) encouraging mixed-use development and investment in transportation and public transit infrastructure in strategic areas;

3546 (i) strategic land use and municipal planning in major transit investment corridors as described in Subsection 10-20-404(2);

3548 (j) increasing access to employment and educational opportunities; and

3549 (k) increasing access to child care.

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- 3550 (2) To accomplish the objectives described in Subsection (1), a creating entity that proposes a regionally significant transit-oriented development as described in this section shall ensure that the proposal includes:
- 3553 (a) except as provided in Subsection (3), at least 12% of the proposed dwelling units within the zone are affordable housing units, with:
- 3555 (i) up to 9% of the proposed dwelling units occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the county median gross income for households of the same size; and
- 3558 (ii) at least 3% of the proposed dwelling units occupied or reserved for occupancy by households with a gross household income equal to or less than 60% of the county median gross income for households of the same size; and
- 3561 (b) except as provided in Subsection (4), at least 51% of the developable area within a zone be dedicated to residential uses and:
- 3563 (i) an average of at least 50 dwelling units per acre within the acreage of the zone dedicated to residential uses;
- 3565 (ii) mixed-use development within the zone; and
- 3566 (iii) a mix of dwelling units to ensure that at least 25% of the dwelling units have more than one bedroom.
- 3568 (3)
- (a) If the projects within a regionally significant transit-oriented development are developed in phases, a creating entity and agency shall ensure that each phase is developed to provide the required 12% of affordable housing units.
- 3571 (b) A creating entity may allow a regionally significant transit development to be phased and developed in a manner to provide more of the required affordable housing units in early phases of development.
- 3574 (c) A creating entity shall include in a proposal an affordable housing plan, which may include deed restrictions, to ensure the affordable housing required in the proposal will continue to meet the definition of affordable housing at least throughout the entire term of the zone.
- 3578 (d) If the creating entity meets the affordable housing guidelines of the United States Department of Housing and Urban Development at 60% area median income at the time the regionally significant

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transit-oriented development proposal is approved by the committee, the creating entity is exempt from the percentage requirements described in Subsection (2)(a).

3583 (4) For a regionally significant transit-oriented development proposed to be located at a public transit hub or a bus rapid transit station, the regionally significant transit-oriented development shall include:

3586 (a) at least 51% of the developable area within a zone as residential uses; and

3587 (b) an average of at least 50 dwelling units per acre within the acreage of the zone dedicated to residential uses.

3545 Section 56. Section **56** is enacted to read:

3546 **63N-3a-302. Provisions specific to a regionally significant first home village.**

3591 (1) A proposal to create a regionally significant development zone that qualifies as a regionally significant first home village, as described in this section, shall demonstrate how the proposal addresses the following objectives:

3594 (a) improving efficiencies in parking and transportation, including walkability of communities near public transit facilities, street and path interconnectivity within the proposed development and connections to surrounding communities, and access to roadways, public transportation, and active transportation;

3598 (b) improving availability of housing options;

3599 (c) overcoming development impediments and market conditions that render a development cost prohibitive absent the proposal and incentives;

3601 (d) conserving water resources through efficient land use;

3602 (e) improving air quality by reducing fuel consumption and motor vehicle trips;

3603 (f) encouraging mixed-use development;

3604 (g) strategic land use and municipal planning in major transit investment corridors;

3605 (h) increasing access to employment and educational opportunities;

3606 (i) increasing access to child care; and

3607 (j) improving efficiencies in parking and transportation, including walkability of communities, street and path interconnectivity within the proposed development and connections to surrounding communities, and access to roadways, public transportation, and active transportation.

3611 (2)

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(a) To promote the creation of walkable communities, a regionally significant first home village development shall be anchored by a core of high-density residential and mixed residential-commercial uses, including opportunities for shopping, child care, and employment.

3615 (b) To accomplish the objectives described in Subsection (1), a creating entity shall ensure that the proposal for a regionally significant first home village includes:

3617 (i) subject to Subsection (3), a minimum of 30 housing units per acre:

3618 (A) in at least 51% of the developable area within the first home investment zone; and

3620 (B) of which 50% must be owner occupied;

3621 (ii) a mixed use development;

3622 (iii) a requirement that at least 25% of homes within the zone remain owner occupied for at least 25 years from the date of original purchase;

3624 (iv) for homes inside the zone, a requirement that at least 12% of the owner occupied homes and 12% of the homes that are not owner occupied qualify as affordable housing; and

3627 (v) a requirement that at least 20% of the extraterritorial homes are affordable housing.

3585 (3)

(a) Subject to Subsection (3)(b), to satisfy the requirements described in Subsection (2), a regionally significant first home village may include an extraterritorial home to count toward density and owner-occupancy requirements by:

3588 (i) adding the total number of extraterritorial homes related to the regionally significant first home village to the total number of homes within the regionally significant first home village; and

3591 (ii) dividing the sum described in Subsection (3)(a)(i) by a number equal to 51% of the total number of developable acres within the regionally significant first home village.

3594 (b) Extraterritorial homes may account for no more than half of the total homes to calculate density within a first home village.

3629 (3)(4) For a condominium building that is part of a regionally significant first home village development for purposes of meeting the requirement to have a minimum of 30 housing units per acre, the requirement that 50% of housing units be owner occupied applies beginning one year after the day on which the condominium building is complete and receives a certificate of occupancy from the relevant local land use authority.

3601 Section 57. Section 57 is enacted to read:

3602 **63N-3a-303. Provisions specific to a major sporting event venue development.**

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- 3636 (1) A regionally significant development zone that qualifies as a major sporting event venue
development, as described in this section, shall promote the following objectives:
- 3638 (a) redevelopment of existing but aging major sporting event venues;
- 3639 (b) development of new major sporting event venues;
- 3640 (c) development of infrastructure supporting a major sporting event venue;
- 3641 (d) increased utilization of public transportation when accessing a major sporting event venue;
- 3643 (e) improved efficiencies in parking and transportation with the goal of increasing walkability between
a major sporting event venue and a public transit station;
- 3645 (f) commercial development, or mixed commercial-residential development, in areas near a major
sporting event venue;
- 3647 (g) improving air quality by reducing fuel consumption and motor vehicle trips; and
- 3648 (h) increasing tourism activity.
- 3649 (2) A creating entity may not propose a regionally significant development zone to pursue a major
sporting event venue development unless the owner of the major sporting event venue, as
applicable, provides written consent.
- 3652 (3) A proposal for a major sporting event venue development shall:
- 3653 (a) identify if the proposal is to redevelop an existing but aging major sporting event venue, develop a
new major sporting event venue, or both redevelop an existing but aging major sporting event venue
and develop a new major sporting event venue;
- 3656 (b) demonstrate that the zone will meet the objectives described in Subsection (1);
- 3657 (c) define specific infrastructure needs, if any, and proposed improvements to the proposed zone;
- 3659 (d) demonstrate how the major sporting event venue development will:
- 3660 (i) ensure sufficient traffic control;
- 3661 (ii) provide multiple avenues for spectators or participants to access the major sporting event venue,
including public transit; and
- 3663 (iii) promote increased visitation to and recreation in the major sporting event venue;
- 3664 (e) identify any impediments to the development of a new major sporting event venue, or impediments
to refurbishing an existing major sporting event venue, and proposed strategies for addressing each
one;
- 3667 (f) describe the proposed development or refurbishment to a sporting event venue, including estimated
costs;

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- 3669 (g) describe projected maximum revenues generated within the zone by each permitted source of
revenue described in Section 17C-6-201;
- 3671 (h) describe proposed expenditures of revenue generated within the zone;
- 3672 (i) include an analysis of other applicable or eligible incentives, grants, or sources of revenue that can
be used to reduce any finance gap between generated revenue and estimated costs;
- 3675 (j)
- (i) describe any known opportunities for private-public partnership in developing, refurbishing,
operating, or managing a major sporting event venue, as described in Section 17C-6-301; or
- 3678 (ii) describe a strategy to pursue private-public partnership in developing or refurbishing a major
sporting event venue; and
- 3680 (k) evaluate possible benefits to active transportation, public transportation availability and utilization,
street connectivity, and air quality.

3649 Section 58. Section **58** is enacted to read:

3650 **63N-3a-304. Provisions specific to a regionally significant economic development**
opportunity.

- 3685 (1) A creating entity with general land use authority over an area may submit a proposal that does not
qualify under Sections 63N-3a-301 through 303 as a regionally significant development opportunity.
- 3688 (2) A proposal for a regionally significant economic development opportunity shall demonstrate the
likelihood that the project will constitute a significant capital investment, as that term is defined in
Section 63N-2-103.
- 3658 (3) If a proposal for a regionally significant economic development opportunity involves a large load
customer, as that term is defined in Section 54-26-101, or a qualifying data center, as that term is
defined in Section 59-12-102, the proposal shall comply with Part 4, Regionally Significant Zones
with Energy Implications.
- 3691 (3)(4) The executive director and office shall establish additional criteria by rule, in accordance
with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for a regionally significant
development opportunity.

3665 Section 59. Section **59** is enacted to read:

3667 **63N-3a-401. {Coordinating regional land use authority uses of increment financing}**

Definitions.

{4. Coordinating the Use of Increment Financing}

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4. Regionally Significant Zones with Energy Implications

As used in this part:

- 3669 (1) "Incentive" means the same as that term is defined in Section 11-41-201.
- 3698 (1){(2)} ~~{A regional economic development authority is not required to make a proposal or obtain approval from the committee before taking action.}~~ "Maximum allowable increment" means the
{regional economic} percent of property tax increment a regionally significant development
{authority} zone is {legally} authorized to {take} capture and utilize, as established by the
committee under this chapter.
- 3701 ~~{(2) {In addition to any other requirements, beginning July 1, 2026, a regional economic development authority shall provide notice of tax increment financing to the office at least 30 days before the regional economic development authority intends to trigger or otherwise begin the process of collecting tax increment.}}~~
- 3705 ~~{(3) {Notification of tax increment financing described in Subsection (2) shall include:}}~~
- 3706 ~~{(a) {a description of the type of tax increment financing planned for use;}}~~
- 3707 ~~{(b) {a description of the geographical area from which the regional economic development authority shall collect the tax increment financing;}}~~
- 3709 ~~{(c) {the amount of time the regional economic development authority shall collect and use the tax increment financing; and}}~~
- 3711 ~~{(d) {a general description of the intended use of the tax increment financing.}}~~
- 3712 ~~{(4) {Beginning January 1, 2027, a regional economic development authority shall provide the office with information on any increment financing the regional economic development authority began collecting and utilizing before July 1, 2026.}}~~
- 3673 (3) "Zone" means a regionally significant development zone that includes, or is proposed to include:
- 3675 (a) a large load customer, as that term is defined in Section 54-26-101; or
- 3676 (b) a qualifying data center, as that term is defined in Section 59-12-102.
- 3677 Section 60. Section **60** is enacted to read:
- 3678 **63N-3a-402. {Mapping increment financing} Incentives prohibited -- Exception.**
- 3717 ~~{(1) {Within available funds, the office shall maintain or cause to be maintained a public-facing dashboard indicating:}}~~
- 3719 ~~{(a) {for a regionally significant development zone proposal approved by the committee:}}~~
- 3679 (1)

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- 3682 (a) Except as provided in Subsection (1)(b), a county or municipality may not offer an incentive for a
3683 large load customer or a qualifying data center that is not located within a zone.
- 3684 (b) Subsection (1)(a) does not apply to:
- 3686 (i) a project area established before May 6, 2026; or
3687 (ii) an agreement between a county or municipality and a private entity that was executed before May 6,
3688 2026.
- 3689 (2) In addition to the requirements described in Part 2, Creation of Regionally Significant Development
3690 Zones, a creating entity that proposes a zone shall include in the proposal:
- 3691 (i) ~~{(a) a description of the proposed boundaries of {any increment financing project approved by} the~~
3692 ~~{committee} zone;~~
- 3693 ~~{(ii) {the public entity collecting increment financing revenue;}}~~
- 3694 ~~{(iii) {the public entities forgoing increment financing revenue; and}}~~
- 3695 ~~{(iv) {the dates upon which increment financing for the project are anticipated to begin and cease; and}}~~
3696 ~~}~~
- 3697 (b) ~~{for any increment financing the office is notified about under Section 63N-3a-401, the regional~~
3698 ~~economic development authority managing the project.}}~~
- 3699 (b) an assessment of existing electrical energy infrastructure within and proximate to the proposed zone;
- 3700 (c) a development plan that includes:
- 3701 (i) anticipated infrastructure improvements;
- 3702 (ii) projected economic benefits to the county; and
- 3703 (iii) evidence of local support, as applicable; and
- 3704 (d) any other information required by the committee.
- 3705 (3) A proposal for a zone described in this part:
- 3706 (2) ~~{(a) {The office shall evaluate}}~~ shall include the {public-facing dashboard} diversion of all
3707 personal property tax revenue generated within the zone, as described in Subsection {(1):}
3708 63N-3a-203(4)(c)(ii); and
- 3709 ~~{(a) {on a periodic basis; and}}~~
- 3710 ~~{(b) {for ease of public use and transparency.}}~~
- 3711 ~~{(3) {The office may coordinate with another executive branch agency or state officer to fulfill the~~
3712 ~~duties described in this section.}}~~
- 3713 (b) may include a request to capture up to 60% of the property tax increment generated within the zone.

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- 3701 (4) A proposed zone may not overlap with:
3702 (a) a project area designated by a community reinvestment agency; or
3703 (b) a project area created by the Utah Inland Port Authority or the Military Installation Development Authority.

3705 Section 61. Section **61** is enacted to read:

3706 **63N-3a-403. Committee consideration of a zone with energy implications.**

- 3707 (1) The committee shall approve an application for a zone designation if the application demonstrates that:
- 3709 (a) the proposed zone includes land suitable for a large load customer or qualifying data center based on:
- 3711 (i) access to electrical energy resources; and
3712 (ii) adequate water supply; and
3713 (b) the proposed development plan:
- 3714 (i) aligns with the state's regional and statewide economic development objectives;
3715 (ii) includes realistic timelines and milestones;
3716 (iii) identifies specific infrastructure improvements; and
3717 (iv) quantifies projected economic benefits to the residents who live near the zone.
- 3718 (2)
- (a) The committee shall establish the percentage of property tax increment a regionally significant development zone is authorized to capture and utilize, as described in Subsection 63N-3a-203(4).
- 3721 (b) The remitting percentage of property tax revenue for a zone described in this part is established in Subsection (3).
- 3723 (3) Beginning January 1 following the designation of a zone as described in this section, the county treasurer shall:
- 3725 (a) transfer all revenue attributed to personal property tax within the zone to the agency managing the zone;
- 3727 (b) transfer 90% of the maximum allowable increment generated within the zone to the zone's creating entity;
- 3729 (c) deposit 10% of the maximum allowable increment generated within the zone into the State Reinvestment Restricted Account created in Section 51-9-1002; and
- 3731 (d) make the distributions required under this Subsection (3):

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- 3732 (i) at the same time as regular annual property tax distributions; and
3733 (ii) using the same method as other property tax distributions.
- 3734 (4) A county or municipality that receives property tax increment under Subsection (3) may:
3735 (a) transfer revenue to the agency managing the zone, to be used as regionally significant development
zone revenue as described in Title 17C, Chapter 6, Regionally Significant Development Zones Act;
3738 (b) use the revenue to provide an incentive;
3739 (c) use the revenue to facilitate infrastructure development, including electrical energy infrastructure
development and water infrastructure development; and
3741 (d) use the revenue to support workforce development programs within the county or municipality.
3743 (5) Nothing in this section authorizes a political subdivision other than one described in Subsection
(4) to offer an incentive to a large load customer or qualifying data center, as described in Title 11,
Chapter 41, Part 2, Prohibition on Tax Increment Incentives for Large Load Customers Act.
- 3747 Section 62. Section **62** is enacted to read:
3749 **63N-3a-501. Reporting.**
5. Reporting
- 3735 (1) After the effective date of a regionally significant development zone, as described in Section
63N-3a-203, the creating entity shall provide a written report, no later than August 1, on the creating
entity's and creating entity's agency's activities to implement the objectives of the regionally
significant development zone to the executive director.
- 3739 ~~{(2) {The executive director shall annually provide a written report, no later than October 1,~~
~~summarizing all reports received under Subsection (1) and including any recommendations to the~~
~~Legislature for statutory changes to this chapter or Title 17C, Chapter 6, Regionally Significant~~
~~Development Zones Act, to the:}}}~~
- 3743 ~~{(a) {Revenue and Taxation Interim Committee;}}}~~
3744 ~~{(b) {Political Subdivisions Interim Committee; and}}}~~
3745 (c){(2)} The executive director shall annually provide a written report, no later than October 1,
summarizing all reports received under Subsection (1) and including any recommendations to the
Legislature for statutory changes to this chapter, to the Economic Development and Workforce
Services Interim Committee.
- 3758 Section 63. Section **79-6-1104** is amended to read:
3759 **79-6-1104. Electrical energy development zones -- Property tax differential.**

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- 3748 (1) As used in this section:
- 3749 (a) "Base taxable value" means the value of property within an electrical energy development zone, as
shown on the assessment roll last equalized before the creation of the electrical energy development
zone.
- 3752 (b) "Community reinvestment agency" means the same as that term is defined in Section 17C-1-102.
- 3754 (c) "Community reinvestment project area" means the same as that term is defined in Section
17C-1-102.
- 3756 (d) "Municipal power project" means an electrical energy project that:
- 3757 (i) is operated by or on behalf of a municipality; and
- 3758 (ii) exclusively serves customers within that municipality's jurisdictional boundaries.
- 3759 (e) "Property tax differential" means the difference between:
- 3760 (i) the amount of property tax revenues generated each tax year by all taxing entities from an electrical
energy development zone, using the current assessed value of the property; and
- 3763 (ii) the amount of property tax revenues that would be generated from that same area using the base
taxable value of the property.
- 3765 (f) "~~[State land use]~~ Regional economic development authority" means:
- 3766 (i) the Utah Inland Port Authority created in Section 11-58-201;
- 3767 (ii) the Military Installation Development Authority created in Section 63H-1-201;
- 3768 (iii) the School and Institutional Trust Lands Administration created in Section 53C-1-201; or
- 3770 (iv) any other land use authority created by the state that has jurisdiction over state lands.
- 3772 (2)
- (a) Except as provided in Subsection (2)(b), a county or municipality may not offer financial incentives
for a baseload electrical energy project that is not located within a designated electrical energy
development zone.
- 3775 (b) Subsection (2)(a) does not apply to:
- 3776 (i) financial incentives offered for:
- 3777 (A) a municipal power project;~~[-or]~~
- 3778 (B) an electrical energy project that exclusively utilizes intermittent resources; or
- 3779 (C) an electrical energy project that is not a nuclear energy project; or
- 3780 (ii) an electrical energy project for which a project area plan has been approved before July 1, 2026.
- 3782 (3) A county or municipality may:

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- 3783 (a) pass a resolution declaring an intent to establish within the county or municipality boundaries an energy development zone;
- 3785 (b) enter into an interlocal agreement with the council outlining each parties' responsibilities relating to an energy development zone; and
- 3787 (c) apply to the council for the designation of an electrical energy development zone by submitting:
- 3789 (i) a description of the proposed boundaries of the electrical energy development zone;
- 3791 (ii) an assessment of existing electrical energy infrastructure within and proximate to the proposed electrical energy development zone;
- 3793 (iii) a development plan that includes:
- 3794 (A) proposed electrical energy development projects;
- 3795 (B) anticipated infrastructure improvements;
- 3796 (C) projected economic benefits to the county; and
- 3797 (D) evidence of local support including any interlocal agreement entered into between the county or municipality and the council, as applicable;
- 3799 (iv) if the applicant is a municipality, evidence of coordination with the county in which the proposed electrical energy development zone is located, including any interlocal agreement entered into between the county or municipality and the council, as applicable;
- 3803 (v) if the applicant is a county and any portion of the proposed electrical energy development zone is within the boundaries of a municipality, evidence of an agreement with the municipality regarding the establishment of the electrical energy development zone; and
- 3807 (vi) any other information required by the council.
- 3808 (4) A [~~state land use~~] regional economic development authority may:
- 3809 (a) propose an electrical energy development zone within lands under [~~its~~] the regional economic development authority's jurisdiction; and
- 3811 (b) apply to the council for the designation of an electrical energy development zone by submitting:
- 3813 (i) a description of the proposed boundaries of the electrical energy development zone;
- 3815 (ii) an assessment of existing electrical energy infrastructure within and proximate to the proposed electrical energy development zone;
- 3817 (iii) a development plan that includes:
- 3818 (A) proposed electrical energy development projects;
- 3819 (B) anticipated infrastructure improvements; and

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- 3820 (C) projected economic benefits;
- 3821 (iv) evidence that the proposed zone is consistent with applicable land use plans and regulations; and
- 3823 (v) any other information required by the council.
- 3824 (5) The council shall:
- 3825 (a) approve an application for electrical energy development zone designation if the application demonstrates:
- 3827 (i) the proposed electrical energy development zone includes land suitable for electrical energy development based on:
- 3829 (A) access to electrical energy resources;
- 3830 (B) proximity to existing or planned transmission infrastructure;
- 3831 (C) adequate transportation access; and
- 3832 (D) sufficient land area for proposed development; and
- 3833 (ii) the development plan:
- 3834 (A) aligns with state energy policy under Section 79-6-301;
- 3835 (B) includes realistic timelines and milestones;
- 3836 (C) identifies specific infrastructure improvements; and
- 3837 (D) quantifies projected economic benefits;
- 3838 (b) make a determination on an application within 60 days of submission;
- 3839 (c) provide written notice to the county or municipality explaining the basis for approval or denial;
- 3841 (d) if an electrical energy development zone overlaps with an area designated by a community reinvestment agency as a community reinvestment project area as of May 7, 2025, enter into an agreement with the community reinvestment agency to determine the percentage division of the property tax differential between:
- 3845 (i) the Electrical Energy Development Investment Fund; and
- 3846 (ii) the community reinvestment agency; and
- 3847 (e) if an electrical energy development zone overlaps with an inland port project, enter into an agreement with the Utah Inland Port Authority to determine the percentage division of the property tax differential between:
- 3850 (i) the Electrical Energy Development Investment Fund; and
- 3851 (ii) the Utah Inland Port Authority created in Section 11-58-201.
- 3852 (6) Within 30 days after the council designates an electrical energy development zone:

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- 3853 (a) the county auditor shall certify to the council the base taxable value of property within the electrical
energy development zone; and
- 3855 (b) the county shall transmit to the council copies of the property tax assessment rolls for all property
within the electrical energy development zone.
- 3857 (7)
- (a) Each year, the county auditor shall:
- 3858 (i) determine the amount of the property tax differential for the electrical energy development zone
by comparing:
- 3860 (A) the current assessed value of property within the electrical energy development zone; and
- 3862 (B) the base taxable value of property within the electrical energy development zone;
- 3864 (ii) inform the county treasurer of the property tax differential amount; and
- 3865 (iii) provide notice to the council of the amount calculated under this Subsection (7)(a).
- 3867 (b) The county treasurer shall transfer the property tax differential to the council for deposit into the
Electrical Energy Development Investment Fund created in Section 79-6-1105, subject to any
agreements entered into under Subsections (5)(d) and (5)(e).
- 3870 (c) The county treasurer shall make distributions required under this section:
- 3871 (i) at the same time as regular annual property tax distributions; and
- 3872 (ii) using the same method as other property tax distributions.
- 3873 (8) For property tax differential not subject to Subsection (5)(d) the council may enter into agreements
with taxing entities regarding the allocation of the property tax differential.

3887 **Section 64. Repealer.**

This Bill Repeals:

3888 This bill repeals:

3889 **Section 11-41-101, Title.**

3890 **Section 65. Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

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